



Dave Yost • Auditor of State

PRINCETON CITY SCHOOL DISTRICT
HAMILTON COUNTY

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**PRINCETON CITY SCHOOL DISTRICT
HAMILTON COUNTY**

**FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2015**

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<u>U.S. DEPARTMENT OF AGRICULTURE</u>						
<i>Passed Through Ohio Department of Education:</i>						
Child Nutrition Cluster:						
Non-Cash Assistance (Food Distribution):						
National School Lunch Program	N/A	10.555	\$0	\$181,079	\$0	\$181,079
Cash Assistance:						
National School Breakfast Program	3L70	10.553	554,666	0	554,666	0
National School Lunch Program	3L60	10.555	1,550,406	0	1,550,406	0
Summer Food Program	3L60	10.559	18,893	0	18,893	0
Sub-Total Child Nutrition Cluster:			<u>2,123,965</u>	<u>181,079</u>	<u>2,123,965</u>	<u>181,079</u>
Farm to School Initiative	3GG0	10.582	9,139	0	9,139	0
Total U.S. Department of Agriculture			<u>2,133,104</u>	<u>181,079</u>	<u>2,133,104</u>	<u>181,079</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>						
<i>Passed Through Ohio Department of Education:</i>						
Special Education Cluster:						
Special Education Grants to States (IDEA part B)	3M20	84.027	1,388,304	0	1,463,383	0
IDEA Preschool Grant	3C50	84.173	23,463	0	21,875	0
Total Special Education Cluster			<u>1,411,767</u>	<u>0</u>	<u>1,485,258</u>	<u>0</u>
Title I Grants to Local Education Agencies	3M00	84.010	1,825,589	0	1,967,781	0
Title III - English Language Acquisition Grants	3Y70	84.365	263,058	0	176,343	0
Title II-A - Improving Teacher Quality State Grants	3Y60	84.367	240,511	0	264,641	0
Race to the Top	3FD0	84.395	151,930	0	67,933	0
<i>Passed through the Great Oaks Institute of Technology & Career Development:</i>						
Carl Perkins/Vocational Education	N/A	84.048	10,000	0	20,336	0
Total U.S. Department of Education			<u>3,902,855</u>	<u>0</u>	<u>3,982,292</u>	<u>0</u>
Totals			<u>\$6,035,959</u>	<u>\$181,079</u>	<u>\$6,115,396</u>	<u>\$181,079</u>

The accompanying notes to this schedule are an integral part of this schedule.

**PRINCETON CITY SCHOOL DISTRICT
HAMILTON COUNTY**

**NOTES TO THE FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2015**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Receipts and Expenditures (the Schedule) reports the Princeton City School District's (the District's) federal award programs' receipts and disbursements. The schedule has been prepared on the cash basis of accounting.

NOTE B - CHILD NUTRITION CLUSTER

The District commingles cash receipts from the U.S. Department of Agriculture with similar State grants. When reporting expenditures on this Schedule, the District assumes it expends federal monies first.

NOTE C – FOOD DONATION PROGRAM

The District reports commodities consumed on the Schedule at the fair value. The District allocated donated food commodities to the respective program that benefitted from the use of those donated food commodities.



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Princeton City School District
Hamilton County
3900 Cottingham Drive
Cincinnati, Ohio 45241

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Princeton City School District, Hamilton County, Ohio (the District) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 21, 2015, wherein we noted the District implemented Governmental Accounting Standard No. 68 and 71.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on District's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the District's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Compliance and Other Matters

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping initial "D".

Dave Yost
Auditor of State

Columbus, Ohio

December 21, 2015



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

Princeton City School District
Hamilton County
3900 Cottingham Drive
Cincinnati, Ohio 45241

To the Board of Education:

Report on Compliance for the Major Federal Program

We have audited Princeton City School District, Hamilton County, Ohio (the District's) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect the Princeton City School District's major federal program for the year ended June 30, 2015. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the District's major federal program.

Management's Responsibility

The District's Management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its federal program.

Auditor's Responsibility

Our responsibility is to opine on the District's compliance for the District's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on the District's major program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on the Major Federal Program

In our opinion, Princeton City School District, Hamilton County, Ohio complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal programs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

The District's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the District's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report only describes the scope of our internal control compliance tests and the results of this testing based on OMB Circular A-133 requirements. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Federal Awards Expenditures Required by OMB Circular A-133

We have also audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Princeton City School District, Hamilton County, Ohio (the District) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our unmodified report thereon dated December 21, 2015 wherein we noted the District implemented Governmental Accounting Standard No. 68 and 71 during the year. We conducted our audit to opine on the District's basic financial statements. The accompanying schedule of federal awards receipts and expenditures presents additional analysis required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Princeton City School District
Hamilton County
Independent Auditor's Report on Compliance with Requirements
Applicable to Each Major Federal Program and On Internal Control Over
Compliance Required by OMB Circular A-133
Page 3

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

Columbus, Ohio

December 21, 2015

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**PRINCETON CITY SCHOOL DISTRICT
HAMILTON COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2015**

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unmodified
<i>(d)(1)(ii)</i>	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weaknesses reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unmodified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510(a)?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	10.553, 10.555, & 10.559 Child Nutrition Cluster
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	Yes

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

None noted.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None noted.

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Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2015



Princeton City School District
Cincinnati, Ohio

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**PRINCETON CITY SCHOOL DISTRICT
CINCINNATI, OHIO**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

PREPARED BY: OFFICE OF THE TREASURER

AMY TWAREK – CFO / TREASURER

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INTRODUCTORY SECTION



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3900 Cottingham Drive
Cincinnati, OH 45241

Office of the Treasurer

Phone: (513) 864-1040

Fax: (513) 864-1059

December 21, 2015

TO THE CITIZENS AND BOARD OF EDUCATION OF THE PRINCETON CITY SCHOOL DISTRICT:

We are pleased to present the fifteenth Comprehensive Annual Financial Report (CAFR) of the Princeton City School District (District) for the fiscal year ended June 30, 2015. This report was prepared by the Treasurer's Office, and contains financial statements, supplemental statements, and statistical information to provide complete and full disclosure of all material financial aspects of the District for the 2014-15 fiscal year.

Responsibility for the accuracy, completeness, and fairness of the report rests with the District. To the best of our knowledge and belief, this report and the enclosed data are accurate in all material aspects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included. This report was prepared in conformance with generally accepted accounting principles as set forth by the Governmental Accounting Standards Board (GASB).

This report includes all funds of the District. The District provides a full range of traditional and non-traditional educational programs, services, and facilities. These include elementary and secondary curriculum offerings at the general, college preparatory, and vocational levels; a broad range of co-curricular and extra-curricular activities; special education programs; and facilities and community recreation facilities.

In addition to providing these general activities, the District receives pass-through grants from the State and distributes these grants to parochial/private schools located within the District. This activity is included in the entity as a Special Revenue fund because of the District's administrative involvement in the program. The parochial/private schools served are: Cincinnati Hills Christian Academy, Hillcrest Training Academy, Bethany School, St. Gabriel School, St. Michael School and St. Rita School for the Deaf. While these organizations share operational and service similarity with the District, each is a legally separate and distinct entity. Because of their independent nature, none of these organizations are included in this report.

DESCRIPTION OF THE DISTRICT

The District serves an area of 36 square miles in the north central part of Hamilton County, encompassing the villages of Glendale, Evendale, Woodlawn and Lincoln Heights, and, the cities of Springdale and Sharonville. It also encompasses a small portion of Butler and Warren Counties. The tax base of the District is comprised of a unique blend of residential, commercial, and industrial property, with approximately 55% of the tax revenue of the District paid by business and industry.

During the 2014-15 school year, the District served 5,730 students enrolled in preschool, eight elementary schools, one junior high school and one high school. The District's enrollment has stabilized with moderate increases in elementary schools.

The student enrollment of the District is a reflection of the diversity of the communities it serves. For the 2014-15 school year, approximately 65% of the students were considered low-income and eligible to participate in the

free/reduced lunch program; 109 students were enrolled in a full time or part-time trade program, through vocational education; 867 (15%) students with disabilities received instruction through a variety of special education programs; and all eligible students can participate in a number of advanced academic programs such as International Baccalaureate, advanced placement courses and gifted elementary programs. The District also offers a comprehensive adult education program to the community to help adults obtain a high school diploma.

ORGANIZATION OF THE DISTRICT

The Board of Education of the Princeton City School District is composed of five members elected at large by the citizens of the District. The board serves as the taxing authority, contracting body and policy initiator for the operation of the District. The Board is also responsible for the adoption of the tax budget, the annual operating budget and approves all expenditures of the District. The Board is a body politic and corporate, as defined by Section 3313.02 of the Ohio Revised Code, and has only those powers and authority conferred upon it by the Code.

The members of the Board, their current terms, and total years served on the Board as of June 30, 2015, are:

<u>Board Member</u>	<u>Current Term</u>	<u>Total Years</u>
Mrs. Sandy Leach	Jan. 2012 - Dec. 2015	11 ½
Ms. Lillian Hawkins	Jan. 2014 - Dec. 2017	9 ½
Mrs. Mary Cleveland	Jan. 2014 - Dec. 2017	1 ½
Mr. Susan Wyder	Jan. 2012 - Dec. 2015	2 ½
Mr. Steve Moore	Jan. 2008 - Dec. 2015	6 ½

The Superintendent is the Chief Executive Officer of the District and is directly responsible to the Board for all operations of the District. Dr. Gary Pack served as Superintendent from August 1, 2008 until September 2014. Dr. Pack had 21 years experience as a school superintendent. At the time of Dr. Pack's retirement, Mr. Edward Theroux served the district as interim superintendent. Mr. Theroux has worked at Princeton for the past 16 years.

The Treasurer is the Chief Financial Officer of the District and is directly responsible to the Board for all financial operations, investments, and serves as Secretary to the Board. Amy Twarek began her role as Treasurer on August 1, 2012.

FINANCIAL CONDITION

This is the twelfth year the District has prepared financial statements following GASB Statement 34, "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments." GASB 34 created basic financial statements for reporting on the District's financial activities as follows:

Government-wide financial statements: These statements are prepared on an accrual basis of accounting which is similar to the basis of accounting followed by businesses. The government-wide statements distinguish between those activities of the District that are governmental and those that are considered business-type activities.

Fund financial statements: These statements present information for individual major funds rather than by fund type. Nonmajor funds are presented in total in one column. Governmental funds use the modified accrual basis of accounting and include a reconciliation to the governmental activities accrual information presented in the government-wide financial statements. Proprietary and fiduciary funds use the accrual basis of accounting.

Statement of budgetary comparisons: These statements present comparisons of actual information to the legally adopted budget. The budgetary basis as provided by law is based upon accounting for certain

transactions on a basis of cash receipts, disbursements and encumbrances.

As part of this reporting model, management is responsible for preparing a Management's Discussion and Analysis of the District. This discussion follows this letter of transmittal, providing an assessment of the District's finances for fiscal year 2015 and the outlook for the future.

EMPLOYEE RELATIONS

During the 2014-2015 school year, the Board employed staff that totaled a full time equivalency (FTE) of 674. Of the Board's current employees, a total FTE of 429 were certificated by the Ohio Department of Education serving as classroom teachers or education specialists, all of whom have at least a bachelor's degree. Other certificated staff included administrators with and FTE of 32.

Certificated teachers and education specialists are represented by the Princeton Association of Classroom Educators (PACE) which is a labor organization affiliated with the Ohio Education Association. As of June 30, 2015, the District and the association has one year remaining on the contract.

Operational personnel are represented by the Princeton Support Staff Association (PSSA) which is affiliated with the Ohio Association of Public School Employees, Chapter 174 (OAPSE) which is a labor organization affiliated with the American Federation of State, County and Municipal Employees (AFSCME). As of June 30, 2015, the District and the association has one year remaining on the contract.

MAJOR INITIATIVES FOR THE YEAR

The District continues its efforts to become an excellent educational institution. Through strategic planning, several areas have become the focus of increased activity. An Operational Strategic Plan was developed and the implementation is ongoing. This plan mirrors components of the previous district-wide plan. Central office and building administrators were instrumental in its development and will lead the implementation effort. As in the past, the plan is based on the District's mission statement that states:

The mission: Princeton is a diverse community where we are all learners –
inspired to dream and challenge to achieve.

District goals for the 2014-2015 school year are as follows:

Standard 1: Vision, Continuous Improvement, and Focus on District Work Achievement: Princeton City School District will implement and communicate the vision, mission, and core values by mastering the 21st Century learning skills.

Goal 1: All students in grades 9-12 will have a College/Career Readiness Plan.

Goal 2: Reading, writing, and math curriculum maps will be vertically aligned K-12.

Standard 2: Communication and Collaboration Achievement: Princeton City School District will build positive and effective relationships.

Goal: Establish, maintain, and enhance a positive climate and safe environment of respect as measured by baseline data from the annual district survey administered in February.

Standard 3: Policies and Governance Responsibilities: The Princeton Board of Education will hold itself to the highest standard possible.

Goal: The Board of Education will hire and transition an engaging superintendent who will lead the

Princeton City School District to high levels of performance that align with stakeholder input.

Standard 4: Instruction Achievement: The Board of Education will support the development and implementation of district wide school improvement processes and educational practices, including professional development, coaching, and mentoring, resulting in 80% of Princeton Students scoring proficient on standardized tests by 2015.

Goal 1: By the end of the 2014-2015 school year and by increasing academic rigor and differentiation, and providing quality feedback to staff and students, there will be a 10% increase in student achievement as compared to the 2013-2014 baseline as evidenced by students making at least one year's growth as measured by the growth measure indicator or the assessment benchmarks

Goal 2: The District will reduce the achievement gap by increasing academic rigor and differentiation, and providing quality feedback to staff and students by 5% as compared to the 2013-2014 school year baseline in reading, writing, science, and math in all identified Princeton subgroups, therefore decreasing the gap in meeting the Annual Measurable Objective each year as measured by the growth measure or assessment benchmarks.

Standard 5: Resources Achievement: Princeton City Schools will maintain the financial integrity of the district while providing quality programs that meet or exceed the needs of all students.

Goal: The school district seeks to maintain a minimum unassigned balance in its general fund ranging from 10-20% percent of the subsequent year's budgeted expenditures and outgoing transfers

Relevant Financial Policies

The State of Ohio developed a new funding formula for funding public education in the state. The new formula allocates funding based on the number and demographic makeup of the district's student population as well as the relative wealth (both property and income based) for a district. In addition to the formula aid, districts are guaranteed to not receive less funding than they did in the base year or are capped on their growth to 10.5% of the formula amounts. For 2015, Princeton's funding was capped. Had there not been a state imposed funding cap in place, Princeton would have received approximately \$3.5 million in additional state funding.

Another significant change in the budget bill was the restructuring of Tangible Personal Property (TPP) and Electric Deregulation Property Tax reimbursements. These reimbursements were restructured such that, for FY15, the reduction in the district's phase out for each reimbursement is limited to no more than 2% per year of its total resources (state & local funding) as compared to the base year.

FINANCIAL INFORMATION

The District's accounting system is organized on a "fund" basis. Each fund is a distinct, self-balancing entity. Records for general governmental operations are maintained on a budgetary basis system of accounting as prescribed by State statute. Cash basis accounting differs from generally accepted accounting principles (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB).

Internal Controls

The management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft, or misuse, and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP).

The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived from its implementation; and (2) the valuation of cost and benefits requires estimates and judgments by management.

Single Audit Act

As a recipient of federal and state financial assistance, the District is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management of the District and annual reviews by the District's independent auditors.

As a part of the District's single audit, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations. The results of the District's single audit for the fiscal year ended June 30, 2015, provided no significant violations of applicable laws and regulations.

Budgetary Controls

The objective of budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriation resolution. The level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is established by individual fund. Although the legal level of budgetary control was established at the fund level of expenditures, the District has elected to present budgetary statement comparisons at the fund and function level of expenditures. Any budgetary modifications at this level may only be made by resolution of the Board. The District maintains an encumbrance accounting system as one technique of accomplishing budgetary control.

Unencumbered appropriation balances are reviewed prior to the release of purchase orders to ensure funds are available to meet the obligation created by the purchase order. Encumbered amounts at year-end are carried forward to succeeding years and are not re-appropriated. As demonstrated by the statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

Financial Policies

The District requires Board approval of all financial contracts exceeding \$1,000 as well as legal counsel review. Contracts are all processed through the District Treasurer.

Long-Term Financial Planning

The District maintains a five-year forecast as required by Ohio law with mandated updates in October and May of each year. In addition, the District has begun development on a short-term and long-term capital plan to address capital needs. In October 2010, the Princeton 2020 Task Force was created to identify the various programs and services offered by the District. The results of the Task Force contributed to the updated five-year forecast and serves as a foundation for determining strategies for maintaining fiscal sustainability throughout the forecast period.

OTHER INFORMATION

Independent Audit

Provisions of State statute require that the District's financial statements be subjected to an annual examination by an independent auditor. The Auditor of the State of Ohio's unqualified opinion rendered on the District's basic

financial statements, combining statements and individual fund schedules is included in the financial section of this Comprehensive Annual Financial Report. Pursuant to statute, the State prescribes a uniform accounting system to standardize accounting classification and financial reporting for all units of local education agencies in Ohio.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Princeton City School District for its comprehensive annual financial report for the fiscal year ended June 30, 2014. This was the fifteenth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

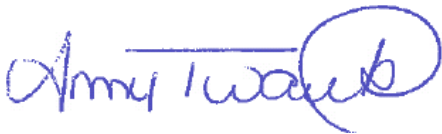
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting for the fiscal year ended June 30, 2014, to the District. The award was the sixteenth for the District. The award certifies that the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2014, substantially conforms to the principles and standards of financial reporting as recommended and adopted by the Association of School Business Officials. This award is granted only after extensive review of the report by an expert panel of certified public accountants and practicing school business officials. The District believes our current report conforms to the ASBO's principles and standards, and we are submitting it to ASBO to determine its eligibility for a certificate.

Acknowledgments

The preparation and publication of the 2015 Comprehensive Annual Financial Report of the Princeton City School District was made possible by the combined efforts of the entire Treasurer's office staff. Finally, this report would not have been possible without the support, commitment, and leadership of the Board of Education to continue the pursuit of excellence in financial reporting.

Sincerely,



Amy Twarek, CPA



Dr. Thomas Tucker

PRINCETON CITY SCHOOL DISTRICT
LIST OF PRINCIPAL OFFICIALS
June 30, 2015

Elected Officials

President, Board of Education.....	Mrs. Susan Wyder
Vice-President, Board of Education.....	Mrs. Mary Cleveland
Board Member.....	Dr. Lillian Hawkins
Board Member.....	Mrs. Sandy Leach
Board Member.....	Mr. Steve Moore

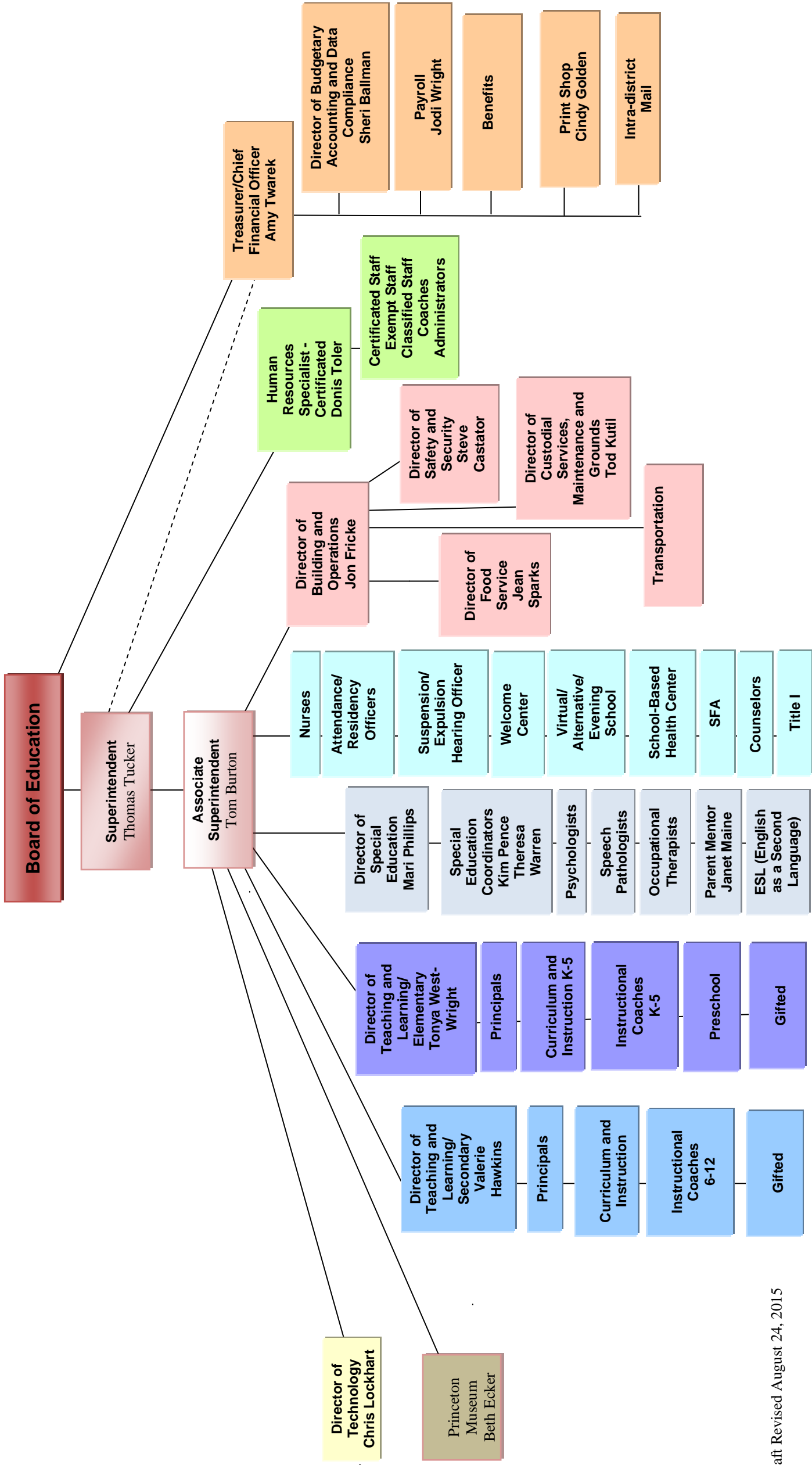
Administrative Officials

Superintendent.....	Mr. Ed Theroux
Treasurer / Chief Financial Officer.....	Ms. Amy Twarek

Notes:

Effective 7/1/15, Dr. Thomas Tucker became Superintendent

Organizational Chart of the Princeton City School District





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Princeton City School District
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

Association of School Business Officials International



*The Certificate of Excellence in Financial Reporting Award
is presented to*

Princeton City School District, Ohio

*For Its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2014*

The CAFR has been reviewed and met or exceeded
ASBO International's Certificate of Excellence standards



A handwritten signature in black ink, appearing to read 'M. Pepera', written over a horizontal line.

Mark C. Pepera, MBA, RSBO, SFO
President

A handwritten signature in black ink, appearing to read 'John D. Musso', written over a horizontal line.

John D. Musso, CAE, RSBA
Executive Director

FINANCIAL SECTION



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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Princeton City School District
Hamilton County
3900 Cottingham Drive
Cincinnati, Ohio 45241

To the Board of Education:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Princeton City School District, Hamilton County, Ohio (the District), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the District's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Princeton City School District, Hamilton County, Ohio, as of June 30, 2015, and the respective changes in financial position thereof and, where applicable, cash flows thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 21 to the financial statements, during the year ended June 30, 2015, the District adopted Governmental Accounting Standard No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis*, *Required budgetary comparison schedule* and schedules of net pension liabilities and pension contributions listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary and Other Information

Our audit was conducted to opine on the District's basic financial statements taken as a whole.

The introductory section, the financial section's combining statements, individual fund statements and schedules and the statistical section information present additional analysis and are not a required part of the basic financial statements.

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these statements and schedules to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling statements and schedules directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, these statements and schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2015, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

Columbus, Ohio

December 21, 2015

Princeton City School District, Ohio
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
(Unaudited)

The management's discussion and analysis of Princeton City School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2015. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the District's performance.

Financial Highlights

Key financial highlights for 2015 are as follows:

- Net position of governmental activities increased \$8,187,931 which represents a 15% increase from 2014.
- General revenues accounted for \$88,393,916 in revenue or 89% of all revenues. Program specific revenues in the form of charges for services and sales, and operating grants and contributions accounted for \$10,960,192 or 11% of total revenues of \$99,354,108.
- The District had \$91,166,177 in expenses related to governmental activities; \$10,960,192 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of were also used to provide for these programs.

Overview of the Financial Statements

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The *Statement of Net Position* and the *Statement of Activities* provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the District's most significant funds with all other nonmajor funds presented in total in one column. The General, Bond Retirement and Building funds are the major funds of the District.

Government-wide Financial Statements

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2015?" The Government-wide Financial Statements answer this question. These statements include *all assets* and *liabilities* using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

Princeton City School District, Ohio
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
(Unaudited)

These two statements report the District's net position and changes in net position. This change in net position is important because it tells the reader that, for the District as a whole, the financial position has improved or diminished. The causes of this change may be the result of many factors, both financial and non-financial. Non-financial factors include the District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs and other factors.

In the Government-wide Financial Statements, the overall financial position of the District is presented in the following manner:

- **Governmental Activities** – Most of the District's programs and services are reported here including instruction, support services, operation of non-instructional services, extracurricular activities and interest and fiscal charges.

Fund Financial Statements

The analysis of the District's major funds is presented in the Fund Financial Statements (see Table of Contents). Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds.

Governmental Funds Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial assets* that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental *activities* (reported in the Statement of Net Position and the Statement of Activities) and governmental *funds* is reconciled in the financial statements.

Fiduciary Funds Fiduciary Funds are used to account for resources held for the benefits of parties outside the government. Fiduciary Funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Fiduciary funds use the accrual basis of accounting.

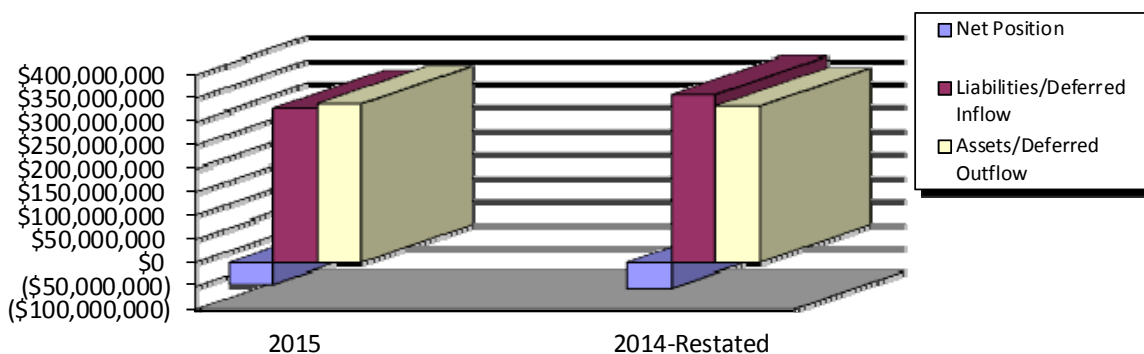
The District as a Whole

As stated previously, the Statement of Net Position looks at the District as a whole. Table 1 provides a summary of the District's net position for 2015 compared to 2014:

Princeton City School District, Ohio
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
(Unaudited)

Table 1
Net Position

	<u>Governmental Activities</u>	
	<u>2015</u>	<u>2014-Restated</u>
Assets:		
Current and Other Assets	\$124,859,510	\$129,581,121
Capital Assets	<u>212,765,986</u>	<u>203,173,929</u>
Total Assets	<u>337,625,496</u>	<u>332,755,050</u>
Deferred Outflows of Resources:		
Deferred Charge on Refunding Pension	1,798,615	1,914,655
	<u>7,046,451</u>	<u>5,958,461</u>
Total Deferred Outflows of Resources	<u>8,845,066</u>	<u>7,873,116</u>
Liabilities:		
Other Liabilities	15,242,268	18,068,014
Long-Term Liabilities	<u>312,471,764</u>	<u>339,782,871</u>
Total Liabilities	<u>327,714,032</u>	<u>357,850,885</u>
Deferred Inflows of Resources:		
Property Taxes	38,375,598	36,798,778
Deferred Gain on Refunding Pension	9,382,853	0
	<u>16,831,645</u>	<u>0</u>
Total Deferred Inflows of Resources	<u>64,590,096</u>	<u>36,798,778</u>
Net Position:		
Net Investment in Capital Assets	(618,311)	7,255,387
Restricted	20,777,163	12,486,156
Unrestricted	<u>(65,992,418)</u>	<u>(73,763,040)</u>
Total Net Position	<u>(\$45,833,566)</u>	<u>(\$54,021,497)</u>



Princeton City School District, Ohio
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
(Unaudited)

During 2015, the District adopted GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27," which significantly revises accounting for pension costs and liabilities. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the District's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. When accounting for pension costs, GASB 27 focused on a funding approach. This approach limited pension costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability*. GASB 68 takes an earnings approach to pension accounting; however, the nature of Ohio's statewide pension systems and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

Under the new standards required by GASB 68, the net pension liability equals the District's proportionate share of each plan's collective:

1. Present value of estimated future pension benefits attributable to active and inactive employees' past service
- 2 Minus plan assets available to pay these benefits

GASB notes that pension obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the District is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability. As explained above, changes in pension benefits, contribution rates, and return on investments affect the balance of the net pension liability, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required pension payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net

Princeton City School District, Ohio
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
(Unaudited)

pension liability is satisfied, this liability is separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68, the District's statements prepared on an accrual basis of accounting include an annual pension expense for their proportionate share of each plan's *change* in net pension liability not accounted for as deferred inflows/outflows.

As a result of implementing GASB 68, the District is reporting a net pension liability and deferred inflows/outflows of resources related to pension on the accrual basis of accounting. This implementation also had the effect of restating net position at June 30, 2014, from \$50,915,391 to \$(54,021,497).

Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2015, the District's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$(45,833,566).

At year-end, capital assets represented 63% of total assets. Capital assets include land, construction in progress, buildings and improvements, and equipment. Capital assets, net of related debt to acquire the assets at June 30, 2015, was \$(618,311). These capital assets are used to provide services to the students and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the District's net position, \$20,777,163 represents resources that are subject to external restriction on how they must be used. The external restriction will not affect the availability of fund resources for future use.

Capital Assets increased due to an increase in construction in progress. Long-term liabilities decreased due to the decrease in the Net Pension Liability.

Table 2 shows the changes in net position for fiscal years 2015 and 2014.

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Princeton City School District, Ohio
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
(Unaudited)

Table 2
Changes in Net Position

	Governmental Activities	
	2015	2014-Restated
Revenues:		
Program Revenues		
Charges for Services	\$2,645,750	\$4,734,020
Operating Grants, Contributions	8,314,442	9,213,891
General Revenues:		
Property Taxes	59,715,785	62,939,584
Grants and Entitlements	24,383,897	26,859,702
Other	4,294,234	1,392,928
Total Revenues	99,354,108	105,140,125
Program Expenses:		
Instruction	47,048,759	42,489,229
Support Services:		
Pupil and Instructional Staff	6,972,008	7,157,474
School Administrative, General		
Administration, Fiscal and Business	6,488,335	7,094,509
Operations and Maintenance	7,622,086	7,191,825
Pupil Transportation	4,960,671	4,622,493
Central	1,046,084	1,168,493
Operation of Non-Instructional Services	4,200,043	3,331,906
Extracurricular Activities	1,233,773	1,166,289
Interest and Fiscal Charges	10,931,904	12,599,961
Bond Issuance Cost	662,514	0
Total Program Expenses	91,166,177	86,822,179
Change in Net Position	8,187,931	18,317,946
Net Position - Beginning of Year	(54,021,497)	N/A
Net Position - End of Year	(\$45,833,566)	(\$54,021,497)

The information necessary to restate the 2014 beginning balances and the 2014 pension expense amounts for the effects of the initial implementation of GASB 68 is not available. Therefore, 2014 expenses still include pension expense of \$5,958,461 computed under GASB 27. GASB 27 required recognizing pension expense equal to the contractually required contributions to the plan. Under GASB 68, pension expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of pension expense. Under GASB 68, the 2015 statements report pension expenses of \$4,589,257. Consequently, in order to compare 2015 total expenses to 2014, the following adjustments are needed:

Princeton City School District, Ohio
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
(Unaudited)

Total 2015 program expenses under GASB 68	\$91,166,177
Program expenses under GASB 68	(4,589,257)
2015 contractually required contributions	<u>6,169,194</u>
Adjusted 2015 program expenses	92,746,114
Total 2014 program expenses under GASB 27	86,822,179
Increase in program expenses not related to pension	<u><u>\$5,923,935</u></u>

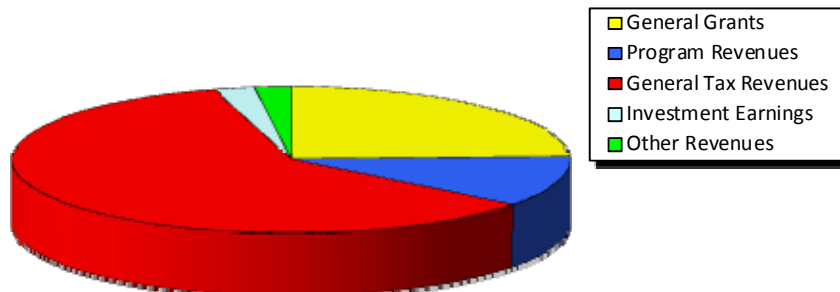
The District revenues are mainly from three sources. Property taxes levied for general, debt service and capital projects purposes, grants and entitlements and operating grants and contributions comprised most of the District’s revenues for governmental activities.

The District depends greatly on property taxes as a revenue source. The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenues generated by a levy will not increase solely as a result of inflation. As an example, a homeowner with a home valued at \$100,000 and taxed at 1.0 mill would pay \$35.00 annually in taxes. If three years later the home were reappraised and increased to \$200,000 (and this inflationary increase in value is comparable to other property owners) the effective tax rate would become .5 mills and the owner would still pay \$35.00.

Thus, Ohio districts do not receive additional property tax revenue from increases in appraisal values and must regularly return to the voters to maintain a constant level of service. Property taxes made up 59.9% of revenue for governmental activities for the District in fiscal year 2015.

Governmental Activities
Revenue Sources

Revenue Sources	2015	Percent of Total
General Grants	\$24,383,897	24.5%
Program Revenues	10,960,192	11.0%
General Tax Revenues	59,715,785	60.1%
Investment Earnings	2,240,446	2.3%
Other Revenues	<u>2,053,788</u>	<u>2.1%</u>
Program Revenues	<u><u>\$99,354,108</u></u>	<u><u>100.0%</u></u>



Princeton City School District, Ohio
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
(Unaudited)

Instruction comprises 51.6% of governmental program expenses. Support services expenses were 29.7% of governmental program expenses. All other expenses and interest expense was 18.7%. Interest expense was attributable to the outstanding bond and borrowing for capital projects.

Property taxes revenue decreased mainly due to a decrease in taxes advances available in fiscal year 2015 as compared to fiscal year 2014. Total expenses increased due to an increase in instruction expenses.

Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for government activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

Table 3
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2015	2014	2015	2014
Instruction	\$47,048,759	\$42,489,229	(\$41,821,983)	(\$34,776,095)
Support Services:				
Pupil and Instructional Staff	6,972,008	7,157,474	(5,954,689)	(4,941,474)
School Administrative, General				
Administration, Fiscal and Business	6,788,335	7,094,509	(6,670,304)	(6,916,352)
Operations and Maintenance	7,322,086	7,191,825	(7,289,135)	(7,129,729)
Pupil Transportation	4,960,671	4,622,493	(4,846,924)	(4,494,102)
Central	1,046,084	1,168,493	(1,041,115)	(1,150,524)
Operation of Non-Instructional Services	4,200,043	3,331,906	61,488	120,786
Extracurricular Activities	1,233,773	1,166,289	(1,048,905)	(986,817)
Interest and Fiscal Charges	10,931,904	12,599,961	(10,931,904)	(12,599,961)
Bond Issuance Cost	662,514	0	(662,514)	0
Total Expenses	<u>\$91,166,177</u>	<u>\$86,822,179</u>	<u>(\$80,205,985)</u>	<u>(\$72,874,268)</u>

The District's Funds

The District has three major governmental funds: the General Fund, Bond Retirement Fund and the Building Fund. Assets of these funds comprise \$110,644,767 (91%) of the total \$121,786,300 governmental funds' assets.

General Fund: Fund balance at June 30, 2015 was \$38,173,807. The primary reason for the increase in fund balance was due to an increase in cash and investment in 2015 compared to 2014.

Bond Retirement Fund: Fund balance at June 30, 2015 was \$8,574,116. Fund balance increased due to an increase in proceeds of debt in 2015 compared to 2014.

Princeton City School District, Ohio
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
(Unaudited)

Building Fund: Fund balance at June 30, 2015 was \$10,353,597. The primary reason for the decrease in fund balance was due to capital outlay expenses being greater than revenues due to the ongoing building projects, which is consistent with prior years.

General Fund Budgeting Highlights

The District’s budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund.

For the General Fund, final budget basis revenue was \$77,372,769. The original budget estimate was \$74,980,544. The difference was \$2,392,225. Of this difference, most was due to under estimates for taxes and intergovernmental revenues.

The District’s ending unobligated cash balance was \$23,393,522.

Capital Assets and Debt Administration

Capital Assets

At fiscal year end, the District had \$212,765,986 invested in land, construction in progress, buildings and improvements and equipment. Table 4 shows fiscal year 2015 balances compared to fiscal year 2014:

Table 4
Capital Assets at Year End
(Net of Depreciation)

	Governmental Activities	
	2015	2014
Land	\$6,278,189	\$6,278,189
Construction in Progress	97,722,462	82,355,958
Buildings and Improvements	107,400,653	112,644,071
Equipment	1,364,682	1,895,711
Total Net Capital Assets	<u>\$212,765,986</u>	<u>\$203,173,929</u>

The increase in capital assets is mainly due to capital asset additions being greater than capital asset depreciation.

See Note 5 in the Notes to the Basic Financial Statements for further details on the District’s capital assets.

Debt

At June 30, 2015, the District had \$216,791,970 in debt outstanding, \$2,749,195 due within one year. Table 5 summarizes debt outstanding.

Princeton City School District, Ohio
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
(Unaudited)

Table 5
Outstanding Debt at Year End

	Governmental Activities	
	2015	2014
2006 Refunding Bonds	68,105,000	69,900,000
2006 Refunding Bonds - Premium	3,491,862	3,717,144
2010 School Improvement Bonds	11,260,000	116,500,000
2010 School Improvement Capital Appreciation Bonds - Principal Only	1,236,355	1,714,930
2010 School Improvement Capital Appreciation Bonds - Accreted Interest	4,465,282	3,993,526
2010 School Improvement Bonds - Premium	0	9,730,366
2012 Certificate of Participation	15,225,000	15,225,000
2012 Certificate of Participation - Discount	(210,228)	(218,161)
2013 Energy Conservation Bonds	585,000	625,000
2013 Certificate of Participation	2,220,000	2,240,000
2013 Certificate of Participation - Premium	119,160	123,415
OASBO Loan	2,995,000	3,130,000
2015 Refunding Bonds	90,995,000	0
2015 School Improvement Capital Appreciation Bonds - Principal Only	6,795,000	0
2015 School Improvement Capital Appreciation Bonds - Accreted Interest	247,459	0
2015 Refunding Bonds - Premium	9,252,531	0
Lease-purchase agreement	9,549	121,177
Total Long-Term Notes, Bonds and Capital Leases	\$216,791,970	\$226,802,397

See Notes 11-13 in the Notes to the Basic Financial Statements for further details on the District's long-term obligations.

For the Future

A challenge facing the School District is the future of state funds. On December 11, 2002, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The Court found the state's school funding system unconstitutional but declined to retain jurisdiction of the matter meaning the decision included no timeline for compliance or accountability for lack of compliance.

While the State has made some progress in resolving the school funding issue, the court ruled that the funding system is far too reliant on property taxes which are inherently not equitable or adequate for many districts. Princeton, however, receives about 55% of its general funding from property taxes.

Princeton City School District, Ohio
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
(Unaudited)

In June of 2005, the State legislature passed House Bill 66 which phases out the tax on tangible personal property of general business, telephone, and telecommunications companies, and railroads. The tax on general business and railroad property began being phased out in 2006 and was eliminated by 2009. The tax on telephone and telecommunication property began being phased out in 2009 and was eliminated in 2011.

In June of 2012, the State legislature passed House Bill 153 which restructured the reimbursement of tangible personal property and electric deregulation property tax reimbursement by no more than 2% per year of its total resources (state and local funding) as compared to the base year. Any reimbursement a School District is still receiving in FY13 will continue to be received at that level in the future.

However, in June 2015 and as further revised in November of 2015, the State legislature and the Governor, again changed their stance on tangible personal property and reinstated the phase out of these revenue streams. At this time, the legislature has passed SB 208 which continues a phase out of tangible personal property tax revenues that unless again altered by the legislature will result in the complete elimination of tangible personal tax reimbursement to the District. The phase out will occur at a computed rate of approximately 5/8 mill (currently approximately \$921,000) each year until eliminated in its entirety. At this time, current estimates are that the phase out will be complete in approximately 14 years.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Treasurer at Princeton City Schools, 3900 Cottingham Dr., Cincinnati, Ohio 45241.

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Princeton City School District
Statement of Net Position
June 30, 2015

	Governmental Activities
Assets:	
Equity in Pooled Cash and Investments	\$56,972,909
Restricted Cash and Investments	1,958,416
Receivables (Net):	
Taxes	64,687,005
Accounts	189,371
Interest	15,884
Intergovernmental	1,010,577
Inventory	25,348
Nondepreciable Capital Assets	104,000,651
Depreciable Capital Assets, Net	<u>108,765,335</u>
 Total Assets	 <u>337,625,496</u>
Deferred Outflows of Resources:	
Deferred Charge on Refunding Pension	1,798,615
	<u>7,046,451</u>
 Total Deferred Outflows of Resources	 <u>8,845,066</u>
Liabilities:	
Accounts Payable	338,148
Accrued Wages and Benefits	6,931,875
Contracts Payable	1,690,852
Retainage Payable	1,745,509
Accrued Interest Payable	680,872
Claims Payable	525,012
Tax Anticipation Notes Payable	3,330,000
Long-Term Liabilities:	
Due Within One Year	3,981,316
Due In More Than One Year:	
Net Pension Liability	93,571,757
Other Amounts	<u>214,918,691</u>
 Total Liabilities	 <u>327,714,032</u>
Deferred Inflows of Resources:	
Property Taxes	38,375,598
Deferred Gain on Refunding Pension	9,382,853
	<u>16,831,645</u>
 Total Deferred Inflows of Resources	 <u>64,590,096</u>
Net Position:	
Net Investment in Capital Assets	(618,311)
Restricted for:	
Debt Service	8,542,361
Capital Projects	9,029,490
Athletic	491,456
Auxiliary Services	54,370
State Grants	157,304
Federal Grants	339,969
Food Service	2,091,214
Other Purposes	70,955
Endowment Nonexpendable	44
Unrestricted	<u>(65,992,418)</u>
 Total Net Position	 <u><u>(\$45,833,566)</u></u>

See accompanying notes to the basic financial statements.

Princeton City School District
Statement of Activities
For the Fiscal Year Ended June 30, 2015

	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental Activities:				
Instruction:				
Regular	\$35,413,253	\$1,289,631	\$1,105,852	(\$33,017,770)
Special	9,552,532	743,559	1,470,083	(7,338,890)
Vocational	75,952	0	1,235	(74,717)
Adult/Continuing	6,416	0	0	(6,416)
Other	2,000,606	0	616,416	(1,384,190)
Support Services:				
Pupil	3,945,463	0	339,241	(3,606,222)
Instructional Staff	3,026,545	0	678,078	(2,348,467)
General Administration	364,132	0	0	(364,132)
School Administration	4,723,722	0	118,031	(4,605,691)
Fiscal	1,633,180	0	0	(1,633,180)
Business	67,301	0	0	(67,301)
Operations and Maintenance	7,322,086	32,951	0	(7,289,135)
Pupil Transportation	4,960,671	0	113,747	(4,846,924)
Central	1,046,084	0	4,969	(1,041,115)
Operation of Non-Instructional Services	4,200,043	394,741	3,866,790	61,488
Extracurricular Activities	1,233,773	184,868	0	(1,048,905)
Interest and Fiscal Charges	10,931,904	0	0	(10,931,904)
Bond Issuance Cost	662,514	0	0	(662,514)
Totals	\$91,166,177	\$2,645,750	\$8,314,442	(80,205,985)

General Revenues:

Property Taxes Levied for:	
General Purposes	46,745,870
Debt Service Purposes	11,029,940
Capital Projects Purposes	1,939,975
Grants and Entitlements, Not Restricted	24,383,897
Revenue in Lieu of Taxes	851,862
Unrestricted Contributions	56,269
Investment Earnings	2,240,446
Refunds and Reimbursements	661,823
Other Revenues	483,834
Total General Revenues	88,393,916
Change in Net Position	8,187,931
Net Position - Beginning of Year, Restated	(54,021,497)
Net Position - End of Year	(\$45,833,566)

See accompanying notes to the basic financial statements.

Princeton City School District
Balance Sheet
Governmental Funds
June 30, 2015

	General	Bond Retirement	Building	Other Governmental Funds	Total Governmental Funds
Assets:					
Equity in Pooled Cash and Investments	\$26,280,226	\$4,329,116	\$12,649,846	\$7,956,847	\$51,216,035
Restricted Cash and Investments	212,907	0	1,745,509	0	1,958,416
Receivables (Net):					
Taxes	50,687,364	11,890,486	0	2,109,155	64,687,005
Accounts	69,973	0	0	39,606	109,579
Interest	318	0	15,566	0	15,884
Intergovernmental	0	0	0	1,010,577	1,010,577
Interfund	446,693	0	2,316,763	0	2,763,456
Inventory	0	0	0	25,348	25,348
Total Assets	77,697,481	16,219,602	16,727,684	11,141,533	121,786,300
Liabilities:					
Accounts Payable	268,616	0	0	68,832	337,448
Accrued Wages and Benefits	6,343,193	0	0	588,682	6,931,875
Compensated Absences	449,229	0	0	101,397	550,626
Contracts Payable	0	0	1,278,065	412,787	1,690,852
Retainage Payable	0	0	1,745,509	0	1,745,509
Accrued Interest Payable	0	0	7,181	0	7,181
Interfund Payable	0	0	0	446,693	446,693
Tax Anticipation Notes Payable	0	0	3,330,000	0	3,330,000
Total Liabilities	7,061,038	0	6,360,755	1,618,391	15,040,184
Deferred Inflows of Resources:					
Property Taxes	32,462,364	7,645,486	0	1,394,155	41,502,005
Grants and Other Taxes	0	0	0	521,153	521,153
Investment Earnings	272	0	13,332	0	13,604
Total Deferred Inflows of Resources	32,462,636	7,645,486	13,332	1,915,308	42,036,762
Fund Balances:					
Nonspendable	0	0	0	44	44
Restricted	212,907	8,574,116	10,353,597	7,899,745	27,040,365
Committed	11,000	0	0	0	11,000
Assigned	2,003,017	0	0	0	2,003,017
Unassigned	35,946,883	0	0	(291,955)	35,654,928
Total Fund Balances	38,173,807	8,574,116	10,353,597	7,607,834	64,709,354
Total Liabilities, Deferred Inflows and Fund Balances	\$77,697,481	\$16,219,602	\$16,727,684	\$11,141,533	\$121,786,300

See accompanying notes to the basic financial statements.

Princeton City School District
 Reconciliation of Total Governmental Fund Balance to
 Net Position of Governmental Activities
 June 30, 2015

Total Governmental Fund Balance		\$64,709,354
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Capital assets used in the operation of Governmental Funds		212,765,986
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		
Delinquent Property Taxes	3,126,407	
Interest	13,604	
Intergovernmental	<u>521,153</u>	
		3,661,164
An internal service fund is used by management to charge back costs to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.		
Internal Service Net Position		2,994,191
In the statement of net position interest payable is accrued when incurred; whereas, in the governmental funds interest is reported as a liability only when it will require the use of current financial resources.		
		(673,691)
Some liabilities reported in the statement of net position do not require the use of current financial resources and, therefore, are not reported as liabilities in governmental funds.		
Compensated Absences		(1,557,411)
Deferred charges for bond refunding losses and gains are not recognized in the governmental funds, whereas they are capitalized and amortized for net position		
Deferred charge on refunding	1,798,615	
Deferred gain on refunding	<u>(9,382,853)</u>	
		(7,584,238)
Deferred outflows and inflows or resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.		
Deferred outflows of resources related to pensions	7,046,451	
Deferred inflows of resources related to pensions	<u>(16,831,645)</u>	
		(9,785,194)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Net Pension Liability	(93,571,757)	
Other Amounts	<u>(216,791,970)</u>	
		<u>(310,363,727)</u>
Net Position of Governmental Activities		<u><u>(\$45,833,566)</u></u>

See accompanying notes to the basic financial statements.

Princeton City School District
Statement of Revenues, Expenditures
and Changes in Fund Balance
Governmental Funds
For the Fiscal Year Ended June 30, 2015

	General	Bond Retirement	Building	Other Governmental Funds	Total Governmental Funds
Revenues:					
Property and Other Taxes	\$48,586,202	\$11,323,660	\$0	\$2,051,526	\$61,961,388
Tuition and Fees	2,022,680	0	0	10	2,022,690
Investment Earnings	97,994	0	339,343	1,825,616	2,262,953
Intergovernmental	25,156,542	1,844,789	0	6,716,457	33,717,788
Extracurricular Activities	98,294	0	0	86,564	184,858
Charges for Services	550	0	0	394,741	395,291
Revenue in Lieu of Taxes	803,900	40,768	0	7,194	851,862
Other Revenues	500,525	0	0	82,488	583,013
Total Revenues	77,266,687	13,209,217	339,343	11,164,596	101,979,843
Expenditures:					
Current:					
Instruction:					
Regular	29,423,661	0	0	929,038	30,352,699
Special	9,012,493	0	0	852,542	9,865,035
Vocational	79,184	0	0	0	79,184
Adult/Continuing	6,561	0	0	0	6,561
Other	1,958,266	0	0	43,197	2,001,463
Support Services:					
Pupil	3,694,540	0	0	349,113	4,043,653
Instructional Staff	1,386,577	0	0	1,686,193	3,072,770
General Administration	365,756	0	0	0	365,756
School Administration	4,812,830	0	0	134,132	4,946,962
Fiscal	1,540,052	33,267	14,846	32,730	1,620,895
Business	63,650	0	0	0	63,650
Operations and Maintenance	7,419,022	0	0	17,445	7,436,467
Pupil Transportation	4,761,513	0	0	20,170	4,781,683
Central	1,058,091	0	0	22,487	1,080,578
Operation of Non-Instructional Services	154,155	0	0	4,049,700	4,203,855
Extracurricular Activities	301,605	0	0	893,328	1,194,933
Capital Outlay	288,521	0	15,681,271	543,770	16,513,562
Debt Service:					
Principal Retirement	0	107,838,575	0	306,628	108,145,203
Interest and Fiscal Charges	0	10,231,425	91,487	904,541	11,227,453
Bond Issuance Cost	0	662,514	0	0	662,514
Total Expenditures	66,326,477	118,765,781	15,787,604	10,785,014	211,664,876
Excess of Revenues Over (Under) Expenditures	10,940,210	(105,556,564)	(15,448,261)	379,582	(109,685,033)
Other Financing Sources (Uses):					
Proceeds from Sale of Capital Assets	1,167,376	0	0	0	1,167,376
Issuance of Refunded Bonds	0	98,115,000	0	0	98,115,000
Premium on Bonds Sold	0	9,595,217	0	0	9,595,217
Transfers In	0	0	130,360,428	3,184,920	133,545,348
Transfers (Out)	(3,184,920)	0	(129,842,878)	(517,550)	(133,545,348)
Total Other Financing Sources (Uses)	(2,017,544)	107,710,217	517,550	2,667,370	108,877,593
Net Change in Fund Balance	8,922,666	2,153,653	(14,930,711)	3,046,952	(807,440)
Fund Balance - Beginning of Year	29,251,141	6,420,463	25,284,308	4,560,882	65,516,794
Fund Balance - End of Year	\$38,173,807	\$8,574,116	\$10,353,597	\$7,607,834	\$64,709,354

See accompanying notes to the basic financial statements.

Princeton City School District
 Reconciliation of the Statement of Revenues, Expenditures, and Changes
 in Fund Balance of Governmental Funds to the Statement of Activities
 For the Fiscal Year Ended June 30, 2015

Net Change in Fund Balance - Total Governmental Funds		(\$807,440)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital asset additions as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of the difference between capital asset additions and depreciation in the current period.		
Capital assets used in governmental activities	15,366,504	
Depreciation Expense	<u>(3,051,544)</u>	12,314,960
Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. The amount of the proceeds must be removed and the gain or loss on the disposal of capital assets must be recognized. This is the amount of the difference between the proceeds and the gain or loss.		
		(2,722,903)
Governmental funds report district pension contributions as expenditures. However in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.		
District pension contributions	6,169,194	
Cost of benefits earned net of employee contributions	<u>(4,589,257)</u>	1,579,937
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Delinquent Property Taxes	(2,245,603)	
Interest	(22,507)	
Intergovernmental	<u>(357,625)</u>	(2,625,735)
In the statement of activities, certain costs and proceeds associated with long-term debt obligations issued during the year are accrued and amortized over the life of the debt obligation. In governmental funds these costs and proceeds are recognized as financing sources and uses.		
Refunding Bonds	(98,115,000)	
Premium on Bonds Issued	(9,595,217)	
Deferred Gain on Refunding	<u>(9,730,366)</u>	(117,440,583)
Repayment of bond and lease principal, current bonds refundings, and accretion interest payments are an expenditure governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
		119,271,994
In the statement of activities interest expense is accrued when incurred; whereas, in governmental funds an interest expenditure is reported when due.		
		219,001
Some revenues and expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as revenues and expenditures in governmental funds.		
Compensated Absences	147,247	
Amortization of Bond Premium	572,223	
Amortization of Bond Discount	(7,933)	
Bond Accretion	(2,115,640)	
Amortization of Deferred Charge on Refunding	(116,040)	
Amortization of Deferred Gain on Refunding	<u>347,513</u>	(1,172,630)
The internal service fund used by management to charge back costs to individual funds is not reported in the entity-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities.		
Change in Net Position - Internal Service Funds		<u>(428,670)</u>
Change in Net Position of Governmental Activities		<u>\$8,187,931</u>

See accompanying notes to the basic financial statements.

Princeton City School District
Statement of Net Position
Proprietary Funds
June 30, 2015

	<u>Governmental Activities- Internal Service Funds</u>
Assets:	
Equity in Pooled Cash and Investments	\$5,756,874
Receivables (Net):	
Accounts	<u>79,792</u>
Total Assets	<u>5,836,666</u>
Liabilities:	
Current Liabilities:	
Accounts Payable	700
Interfund Payable	2,316,763
Claims Payable	<u>525,012</u>
Total Liabilities	<u>2,842,475</u>
Net Position:	
Unrestricted	<u>2,994,191</u>
Total Net Position	<u><u>\$2,994,191</u></u>

See accompanying notes to the basic financial statements.

Princeton City School District
Statement of Revenues, Expenses
and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2015

	<u>Governmental Activities- Internal Service Funds</u>
Operating Revenues:	
Charges for Services	<u>\$8,495,166</u>
Total Operating Revenues	<u>8,495,166</u>
Operating Expenses:	
Contactual Services	1,121,669
Claims	6,489,934
Other Expenses	<u>1,312,275</u>
Total Operating Expenses	<u>8,923,878</u>
Operating Income (Loss)	<u>(428,712)</u>
Non-Operating Revenues (Expenses):	
Interest (Expense)	<u>42</u>
Total Non-Operating Revenues (Expenses)	<u>42</u>
Change in Net Position	(428,670)
Net Position - Beginning of Year	<u>3,422,861</u>
Net Position - End of Year	<u><u>\$2,994,191</u></u>

See accompanying notes to the basic financial statements.

Princeton City School District
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2015

	<u>Governmental Activities- Internal Service Funds</u>
Cash Flows from Operating Activities:	
Cash Received from Customers	\$8,596,060
Cash Payments to Suppliers	<u>(8,785,449)</u>
Net Cash Provided (Used) by Operating Activities	<u>(189,389)</u>
Cash Flows from Capital and Related Financing Activities:	
Debt Interest Payments	<u>42</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	42
Net Increase (Decrease) in Cash and Cash Equivalent	(189,347)
Cash and Cash Equivalents - Beginning of Year	<u>5,946,221</u>
Cash and Cash Equivalents - End of Year	<u><u>5,756,874</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities	
Operating Income (Loss)	(428,712)
Changes in Assets & Liabilities:	
(Increase) Decrease in Receivables	100,894
Increase (Decrease) in Payables	(3,919)
Increase (Decrease) in Claims Payables	<u>142,348</u>
Net Cash Provided (Used) by Operating Activities	<u><u>(\$189,389)</u></u>

See accompanying notes to the basic financial statements.

Princeton City School District
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2015

	Private Purpose Trust	Agency
	<u> </u>	<u> </u>
Assets:		
Equity in Pooled Cash and Investments	\$156,915	\$166,243
Receivables (Net):		
Accounts	<u> 0</u>	<u> 203</u>
Total Assets	<u> 156,915</u>	<u> 166,446</u>
Liabilities:		
Accounts Payable	0	3,240
Other Liabilities	<u> 0</u>	<u> 163,206</u>
Total Liabilities	<u> 0</u>	<u> \$166,446</u>
Net Position:		
Held in Trust	<u> 156,915</u>	
Total Net Position	<u> \$156,915</u>	

See accompanying notes to the basic financial statements.

Princeton City School District
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
For the Fiscal Year Ended June 30, 2015

	Private Purpose Trust
Additions:	
Other	<u>\$4,000</u>
Total Additions	<u>4,000</u>
Deductions:	
Other	<u>14,791</u>
Total Deductions	<u>14,791</u>
Change in Net Position	(10,791)
Net Position - Beginning of Year	<u>167,706</u>
Net Position - End of Year	<u>\$156,915</u>

See accompanying notes to the basic financial statements.

Princeton City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

Note 1 - Summary of Significant Accounting Policies

The financial statements of the Princeton City School District, Ohio (the "School District") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the School District's accounting policies are described below.

Reporting Entity

The School District is a consolidation of nine school districts originally chartered by the Ohio State Legislature. In 1853, state laws were enacted to create local Boards of Education. Today, the School District operates under current standards prescribed by the Ohio State Board of Education as provided in division (D) of Section 3301.07 and Section 119.09 of the Ohio Revised Code. The School District operates under a locally elected five-member Board form of government and provides educational services as authorized by its charter or further mandated by state and/or federal guidelines. This Board controls the School District's instructional and support facilities to provide services to students and other community members.

The reporting entity is comprised of the primary government, which consists of all funds, departments, boards, and agencies that are not legally separate from the School District. This includes general operations, food service, and student related activities of the School District.

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization's governing board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise access the organization's resources; the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the School District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the School District in that the School District approves the budget, the issuance of debt, or the levying of taxes. The School District has no component units.

The following activity is included within the reporting entity:

Parochial and Private Schools - Within the School District boundaries, several parochial and private schools are operated. Current State legislation provides funding to these schools, which is received and disbursed on behalf of the schools by the Treasurer of the School District, as directed by the schools. The administration of the State monies by the School District is reflected in a special revenue fund for financial reporting purposes.

The School District is associated with two jointly governed organizations. These organizations are the Southwest Ohio Computer Association and Great Oaks Institute of Technology and Career Development. The organizations are presented in Note 14 to the basic financial statements.

Princeton City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

Basis of Presentation

The School District's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements that provide a more detailed level of financial information.

Government-wide Financial Statements The statement of net position and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government except for fiduciary funds. The activity of the internal service funds is eliminated to avoid doubling up revenues and expenses. The interfund services provided and used are not eliminated in the consolidation.

The government-wide statements are prepared using the economic resources measurement focus, which differs from the manner in which the governmental fund financial statements are prepared. Therefore, the governmental fund financial statements include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the School District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and are therefore identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the School District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the School District.

Fund Financial Statements Fund financial statements report detailed information about the School District. The focus of governmental and proprietary financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The internal service funds are presented separately. Fiduciary funds are reported by fund type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets, current liabilities, and certain deferred inflows and outflows of resources are generally included on the balance sheet. Operating statements of these funds present sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation of these funds are included on the balance sheet. Proprietary fund operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in total assets.

Princeton City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

Operating revenues and expenses generally result from providing services and producing and delivering services in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as non- operating revenues and expenses.

The private purpose trust funds are reported using the economic resources measurement focus. Agency funds do not have a measurement focus.

Fund Accounting

The School District uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain School District functions or activities. A fund is defined as a fiscal and accounting entity with a self- balancing set of accounts. The funds of the School District are grouped into the categories governmental, proprietary, and fiduciary.

Governmental funds focus on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the School District's major governmental funds:

General Fund - The general fund is used to account for all financial resources except those required to be accounted for in another fund. The general fund balance is available to the School District for any purpose provided it is expended or transferred according to the general laws of Ohio.

Bond Retirement Fund – The bond retirement fund is used to account for the accumulation of resources for the payment of general obligation bond principal and interest and certain other long term obligations from governmental resources when the District is obligated in some manner for the payment.

Building Fund – The building fund accounts for the activity related to the construction of the middle and high school facilities and improvements to other existing school facilities.

Proprietary funds are used to account for the School District's ongoing activities that are similar to those found in the private sector where the intent of the governing body is that the cost of providing goods and services financed or recovered primarily through user charges. The School District created internal service funds for the operation of its self- insured employee benefits and workers' compensation activities.

Fiduciary funds report on net position and changes in net position. The School District's fiduciary funds consist of private-purpose trust funds and an agency fund. The School District's private-purpose trust funds account for scholarship programs for students. These assets are not available for the School District's use. The agency fund is custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District's agency fund accounts for student activities.

Princeton City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements and relates to the timing of the measurements made.

The modified accrual basis of accounting is used by the governmental funds. On a modified accrual basis, revenues are recorded when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current fiscal year or soon enough thereafter to be used to pay liabilities of the current fiscal year. The available period for the School District is sixty days after fiscal year end. Under the modified accrual basis, the following revenue sources are deemed both measurable and available: property taxes available for advance, interest, tuition, student fees, and grants.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due. Allocations of cost, such as depreciation, are not recognized in the governmental funds.

Government-wide financial statements are prepared using the accrual basis of accounting. Also, proprietary funds and fiduciary funds utilize accrual accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Revenues - Exchange and Non-exchange transactions. Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place.

Non-exchange transactions, in which the School District receives value without directly giving value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes were levied.

Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Deferred Outflows/Inflows of Resources. In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the School District, deferred outflows of resources include deferred charges on long term debt.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the

Princeton City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

School District, deferred inflows of resources include property taxes, pension, and grants and other taxes. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2015, but which were levied to finance year 2016 operations. These amounts have been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements.

Equity in Pooled Cash and Cash Equivalents

Cash received by the School District is pooled for investment purposes. Individual fund integrity is maintained through School District records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Investments" on the balance sheet.

During fiscal year 2015, the School District's investments were limited to STAROhio, Money Market Funds, US Treasury Notes, Commercial Paper, Federal Home Loan Bank, Federal Home Loan Mortgage Corporation, Federal Farm Credit Bank, and Federal National Mortgage Association.

STAR Ohio is an investment pool managed by the State Treasurer's Office that allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on June 30, 2015. The School District recorded other investments held at June 30, 2015 at fair value.

Under existing Ohio statutes, all investment earnings accrue to the General Fund except those specifically related to agency funds, certain trust funds, and those other funds individually authorized by Board resolutions. Interest earnings are allocated to these funds based on average monthly cash balance.

For purposes of the statement of cash flows and for presentation on the balance sheet, investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the School District are considered to be cash equivalents.

Inventory

All inventories are valued at cost using the first-in/first-out (FIFO) method. The costs of inventory items are recorded as expenditures in the governmental funds when consumed rather than when purchased.

Capital Assets

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. The School District defines capital assets as those with an individual cost of more than \$5,000 and an estimated useful life in excess of one year. All capital assets are capitalized at cost or estimated historical cost where no historical records exist. Donated capital assets are recorded at their estimated fair values as of the date received. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

Princeton City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

All reported capital assets except land and construction in progress are depreciated. Depreciation is computed using the straight-line method over the following useful lives:

Land improvements	20 years
Buildings and improvements	20 - 50 years
Equipment and furniture	5-20 years
Vehicles	8 years

Interfund Balances

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds.

On fund financials, receivables and payables resulting from short-term interfund loans are classified as "interfund receivable/payable." These amounts are eliminated in the governmental activities column of the statement of net position.

Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the School District will compensate the employees for the benefits through paid time off or some other means. The School District records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the School District has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at fiscal year end, taking into consideration any limits specified in the School District's termination policy.

The entire compensated absence liability is reported on the government-wide financial statements. For governmental fund financial statements, a liability is recorded only for the portion of unpaid compensated absences that has matured due to employee resignations and retirements. These amounts are recorded as matured compensated absences payable.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. Governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources with the exception of compensated absences as noted above.

Princeton City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension systems report investments at fair value.

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the School District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable – The nonspendable fund balance category includes amounts that cannot be spent because they are not in a spendable form, or legally or contractually required to be maintained intact. The “not in a spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable, as well as property acquired for resale, unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed, or assigned.

Restricted – Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions.

Committed – The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the School District Board of Education. Those committed amounts cannot be used for any other purpose unless the School District Board of Education removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned – Resources intended to be used by the School District for specific purposes but do not meet the criteria to be classified as restricted or committed. In the general fund, assigned amounts are intended to be used for specific purposes as approved through the School District’s formal purchase order procedure by the Superintendent and the Treasurer. The adoption of the board appropriation resolution is the established policy, which gives the authorization to assign resources for a specific purpose.

Unassigned – Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

Princeton City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

The School District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first, followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Restricted Assets

Restricted assets in the general fund represent equity in pooled cash and investments set aside to establish a budget set aside in accordance with state statutes.

Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments which for the School District includes amounts set-aside for budget stabilization and restricted grants.

The School District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available. Of the District's \$20,777,163 in restricted net position, none was restricted by enabling legislation.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Note 2 – Deposits and Investments

State statutes classify monies held by the School District into three categories.

Active deposits are public deposits necessary to meet current demands on the Treasury. Such monies must be maintained either as cash in the School District Treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Board has identified as not required for use within the current five-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies that are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including pass book accounts.

Princeton City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

Protection of the School District's deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the Treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

Interim monies are permitted to be deposited or invested in the following securities:

1. United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal or interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by the federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred and eighty days in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and,
8. Under limited circumstances, corporate debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

Investments in stripped principal or interest obligations reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the School District, and must be purchased with the expectation that it will be held to maturity.

Princeton City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

The following information classifies investments by categories of risk as defined in GASB Statement No. 3, "Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements" and amended by GASB Statement No. 40 "Deposit and Investment Risk Disclosures".

Deposits

Custodial Credit Risk – Custodial credit risk is the risk that in the event of a failure, the School District’s deposits may not be returned to it. The School District’s custodial credit risk policy requires that deposits be collateralized as required by ORC Chapter 135. At year end, \$12,032,572 of the School District’s bank balance of \$12,298,236 was exposed to custodial credit risk since it was uninsured and collateralized with securities held by the pledging financial institution’s trust department or agent, but not in the School District’s name. ORC Chapter 135, Uniform Depository Act, authorizes pledging of pooled securities in lieu of specific securities.

Specifically, a designated public depository may pledge a single pool of eligible securities to secure repayment of all public monies deposited in the financial institution, provided that all times the total value of the securities so pledged is at least 105% of the total amount of all public deposits secured by the pool, including the portion of such deposits covered by any federal deposit insurance.

Investments

The School District’s investments at June 30, 2015 are as summarized as follows:

	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
STAROhio	\$21,580,200	0.15
Money Market Funds	3,435,496	0.00
Commercial Paper	4,898,396	0.16
Federal Home Loan Bank	6,357,385	1.30
Federal Home Loan Mortgage Corp	1,627,084	2.48
Federal Farm Credit Bank	5,785,125	1.20
Federal National Mortgage Association	<u>2,403,918</u>	1.98
Total Fair Value	<u>\$46,087,604</u>	
Portfolio Weighted Average Maturity		0.61

Credit Risk – It is the School District’s policy to limit its investments that are not obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government to investments which have a credit quality rating of the top 2 ratings by nationally recognized statistical rating organizations. The School District’s investments in Federal Home Loan Bank, Federal Home Loan Mortgage Corporation, Federal Farm Credit Bank, and Federal National Mortgage Association were rated AA+ by Standard & Poor’s and Aaa by Moody’s. The investment in commercial paper was rated A-1+ by Standard & Poor’s

Princeton City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

and P-1 by Moody's. The School District's investments in the U.S. Money Market Funds were rated AAA by Standard & Poor's. Investments in STAR Ohio were rated AAAM by Standard & Poor's.

Custodial Credit Risk – Custodial credit risk is the risk that in the event of a failure of a counter party, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The School District's investment securities are registered in the name of the School District except for its investments in STAR Ohio and US Money Market Funds, which are not evidenced by securities that exist in physical or book entry form.

Concentration of Credit Risk – The School District's policy places no limit on the amount it may invest in any one issuer. The School District has invested 47% in STAROhio, 7% in Money Market Funds, 11% in Commercial Paper, 13% in Federal Home Loan Bank, 4% in Federal Home Loan Mortgage Corporation, 13% in Federal Farm Credit Bank, and 5% in Federal National Mortgage Association.

Interest Rate Risk – In accordance with the investment policy, the School District manages its exposure to declines in fair value by limiting the weighted average maturity of its investment portfolio to five years.

Note 3 – Property Taxes

Property taxes are levied and assessed on a calendar year basis. Second half distributions occur in a new fiscal year. Property taxes include amounts levied against all real and public utility property located in the District. Real property taxes are levied after April 1 on the assessed value listed as of the prior January 1, the lien date. Public utility property taxes attached as a lien on December 31 of the prior year, were levied April 1 and are collected with real property taxes. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. All property is required to be revalued every six years. Public utility property taxes are assessed on real property at 35 percent of true value.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established. The District receives property taxes primarily from Hamilton County. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2015, are available to finance fiscal year 2016 operations. The amount available for advance can vary based on the date the tax bills are sent.

Accrued property taxes receivable represents delinquent taxes outstanding and real property, tangible personal property, and public utility taxes that became measurable as of June 30, 2015. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current fiscal year operations. The receivable is therefore offset by a credit to deferred inflows of resources for that portion not intended to finance current year operations. The amounts available for advance at June 30, 2015 were \$18,225,000 in the General Fund, \$4,245,000 in the Bond Retirement Fund and \$715,000 in Other Governmental Funds.

The assessed values upon which fiscal year 2015 taxes were collected are:

Princeton City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

	<u>Amount</u>
Agricultural/Residential and Other Real Estate	\$1,270,790,150
Public Utility Personal	<u>72,299,630</u>
Total	<u><u>\$1,343,089,780</u></u>

Note 4 – Interfund Transactions

During the year ended June 30, 2015, the School District made the following transfers:

	Interfund		Transfers	
	<u>Receivable</u>	<u>Payable</u>	<u>In</u>	<u>Out</u>
General Fund	\$446,693	\$0	\$0	\$3,184,920
Building Fund	2,316,763	0	130,360,428	129,842,878
Internal Service Funds	0	2,316,763	0	0
Nonmajor Governmental Funds	<u>0</u>	<u>446,693</u>	<u>3,184,920</u>	<u>517,550</u>
Total All Funds	<u><u>\$2,763,456</u></u>	<u><u>\$2,763,456</u></u>	<u><u>\$133,545,348</u></u>	<u><u>\$133,545,348</u></u>

Interfund balance/transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budget authorizations; to segregate and to return money to the fund from which it was originally provided once a project is completed.

The \$2,316,763 of interfund receivable in the Building Fund and interfund payable in Internal Service Funds is due to workers compensation being self-insured for all the people working on the various construction projects throughout the District. The Building Fund pays all workers' compensation self-insurance costs to the Workers' Compensation Self-Insurance Fund and therefore an interfund receivable is shown on the Building Fund and an interfund payable is shown on the Workers' Compensation Internal Service Fund.

The \$517,550 transfer out of the Permanent Improvement Fund in to the Building Fund is to help pay for all of the various construction projects throughout the District.

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Princeton City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

Note 5 – Capital Assets

Capital assets activity for the year ended June 30, 2015 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital Assets, not being depreciated:				
Land	\$6,278,189	\$0	\$0	\$6,278,189
Construction in Progress	82,355,958	15,366,504	0	97,722,462
Capital Assets, being depreciated:				
Buildings and Improvements	142,215,646	0	14,706,132	127,509,514
Equipment	12,850,872	0	93,851	12,757,021
Totals at Historical Cost	243,700,665	15,366,504	14,799,983	244,267,186
Less Accumulated Depreciation:				
Buildings and Improvements	29,571,575	2,557,007	12,019,721	20,108,861
Equipment	10,955,161	494,537	57,359	11,392,339
Total Accumulated Depreciation	40,526,736	3,051,544	12,077,080	31,501,200
Governmental Activities Capital Assets, Net	<u>\$203,173,929</u>	<u>\$12,314,960</u>	<u>\$2,722,903</u>	<u>\$212,765,986</u>

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$2,664,530
Special	1,357
Vocational	493
Support Services:	
Instructional Staff	7,746
School Administration	9,156
Fiscal	943
Business	5,136
Operations and Maintenance	20,325
Pupil Transportation	223,925
Central	15,106
Operation of Non-Instructional Services	39,822
Extracurricular Activities	63,005
Total Depreciation Expense	<u>\$3,051,544</u>

Princeton City School District, Ohio
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For the Fiscal Year Ended June 30, 2015

Note 6 – Risk Management

The School District is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The School District carries commercial general liability insurance against these risks and all other risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three years. There has been no significant change in coverage from last year.

Beginning in fiscal year 2011, the School District began providing health insurance coverage for its employees on a self-insurance basis. Expenses for claims are recorded on a current basis based on an actuarially determined charge per employee. The School District also purchased stop-loss insurance for claims over 125% of premiums. The School District accounts for such activity in an internal service fund in accordance with GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*.

A summary of the changes in self-insurance medical claims liability is as follows:

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Claims liability at beginning of year	\$369,898	\$590,991	\$660,806
Claims incurred	6,376,217	6,450,053	6,550,216
Claims paid	<u>(6,237,038)</u>	<u>(6,671,146)</u>	<u>(6,620,031)</u>
Claims liability at end of year	<u><u>\$509,077</u></u>	<u><u>\$369,898</u></u>	<u><u>\$590,991</u></u>

Claims are accrued based upon estimates of the claims liability made by management and the third-party administrator of the School District. These estimates are based on past experience and current claims outstanding. Actual claims experience may differ from the estimate. An actuary was used in the determination of the current liability.

Beginning in January 2011, the School District began to self-insure its workers' compensation costs. Expenses for claims are recorded on the current basis based on an actuarially determined charge per employee. The School District accounts for the activities of this program in an internal service fund in accordance with GASB Statement No. 10.

A summary of the changes in self-insurance workers' compensation claims liability is as follows:

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Claims liability at beginning of year	\$12,766	\$19,364	\$19,364
Claims incurred	113,717	85,262	320,327
Claims paid	<u>(110,548)</u>	<u>(91,860)</u>	<u>(320,327)</u>
Claims liability at end of year	<u><u>\$15,935</u></u>	<u><u>\$12,766</u></u>	<u><u>\$19,364</u></u>

Note 7 - Defined Benefit Pension Plans

Net Pension Liability

The net pension liability reported on the statement of net position represents a liability to employees for pensions. Pensions are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on

Princeton City School District, Ohio
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a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability represents the District’s proportionate share of each pension plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan’s fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

Ohio Revised Code limits the District’s obligation for this liability to annually required payments. The District cannot control benefit terms or the manner in which pensions are financed; however, the District does receive the benefit of employees’ services in exchange for compensation including pension.

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan’s board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan’s unfunded benefits is presented as a long-term net pension liability on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in accrued wages and benefits on both the accrual and modified accrual bases of accounting.

Plan Description - School Employees Retirement System (SERS)

Plan Description – District non-teaching employees participate in SERS, a cost-sharing multiple-employer defined benefit pension plan administered by SERS. SERS provides retirement, disability and survivor benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Ohio Revised Code Chapter 3309. SERS issues a publicly available, stand-alone financial report that includes financial statements, required supplementary information and detailed information about SERS’ fiduciary net position. That report can be obtained by visiting the SERS website at www.ohsers.org under Employers/Audit Resources.

Age and service requirements for retirement are as follows:

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	Eligible to Retire on or before August 1, 2017 *	Eligible to Retire on or after August 1, 2017
Full Benefits	Any age with 30 years of service credit	Age 67 with 10 years of service credit; or Age 57 with 30 years of service credit
Actuarially Reduced Benefits	Age 60 with 5 years of service credit Age 55 with 25 years of service credit	Age 62 with 10 years of service credit; or Age 60 with 25 years of service credit

* Members with 25 years of service credit as of August 1, 2017, will be included in this plan.

Annual retirement benefits are calculated based on final average salary multiplied by a percentage that varies based on year of service; 2.2 percent for the first thirty years of service and 2.5 percent for years of service credit over 30. Final average salary is the average of the highest three years of salary.

One year after an effective benefit date, a benefit recipient is entitled to a three percent cost-of-living adjustment (COLA). This same COLA is added each year to the base benefit amount on the anniversary date of the benefit.

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2015, the allocation to pension, death benefits, and Medicare B was 13.18 percent. The remaining 0.82 percent of the 14 percent employer contribution rate was allocated to the Health Care Fund.

The District's contractually required contribution to SERS was \$1,912,656 for fiscal year 2015. Of this amount \$(19,284) is reported as accrued wages and benefits.

Plan Description - State Teachers Retirement System (STRS)

Plan Description – District licensed teachers and other faculty members participate in STRS Ohio, a cost-sharing multiple-employer public employee retirement system administered by STRS. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about STRS' fiduciary net position. That report can be obtained by writing to STRS, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Web site at www.strsoh.org.

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307. The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation will be 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. With certain exceptions, the basic benefit is increased each year by two percent of the original base

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benefit. For members retiring August 1, 2013, or later, the first two percent is paid on the fifth anniversary of the retirement benefit. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 25 years of service, or 30 years of service regardless of age. Age and service requirements for retirement will increase effective August 1, 2015, and will continue to increase periodically until they reach age 60 with 35 years of service or age 65 with five years of service on August 1, 2026.

The DC Plan allows members to place all their member contributions and 9.5 percent of the 14 percent employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.5 percent of the 14 percent employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, member contributions are allocated among investment choices by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of services. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age 50.

New members who choose the DC plan or Combined Plan will have another opportunity to reselect a permanent plan during their fifth year of membership. Members may remain in the same plan or transfer to another STRS plan. The optional annuitization of a member's defined contribution account or the defined contribution portion of a member's Combined Plan account to a lifetime benefit results in STRS bearing the risk of investment gain or loss on the account. STRS has therefore included all three plan options as one defined benefit plan for GASB 68 reporting purposes.

A DB or Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. Eligible survivors of members who die before service retirement may qualify for monthly benefits. New members on or after July 1, 2013, must have at least ten years of qualifying service credit that apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The statutory maximum employee contribution rate was increased one percent July 1, 2014, and will be increased one percent each year until it reaches 14 percent on July 1, 2016. For the fiscal year ended June 30, 2015, plan members were required to contribute 12 percent of their annual covered salary. The District was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The fiscal year 2015 contribution rates were equal to the statutory maximum rates.

The District's contractually required contribution to STRS was \$4,256,538 for fiscal year 2015. Of this amount \$1,342,328 is reported as accrued wages and benefits.

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Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability	\$21,121,795	\$72,449,962	\$93,571,757
Proportion of the Net Pension Liability	0.41734900%	0.29786042%	
Pension Expense	1,242,135	3,347,122	4,589,257

At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred Outflows of Resources			
Differences between expected and actual experience	\$179,769	\$697,488	\$877,257
District contributions subsequent to the measurement date	<u>1,912,656</u>	<u>4,256,538</u>	<u>6,169,194</u>
Total Deferred Outflows of Resources	<u>\$2,092,425</u>	<u>\$4,954,026</u>	<u>\$7,046,451</u>
Deferred Inflows of Resources			
Net difference between projected and actual earnings on pension plan investments	<u>\$3,428,127</u>	<u>\$13,403,518</u>	<u>\$16,831,645</u>

\$6,169,194 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

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Fiscal Year Ending June 30:	SERS	STRS	Total
2016	(\$812,089)	(\$3,176,507)	(\$3,988,596)
2017	(812,089)	(3,176,507)	(3,988,596)
2018	(812,090)	(3,176,508)	(3,988,598)
2019	(812,090)	(3,176,508)	(3,988,598)
Total	<u>(\$3,248,358)</u>	<u>(\$12,706,030)</u>	<u>(\$15,954,388)</u>

Actuarial Assumptions - SERS

SERS' total pension liability was determined by their actuaries in accordance with GASB Statement No. 67, as part of their annual actuarial valuation for each defined benefit retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment termination). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2014, are presented below:

Wage Inflation	3.25 percent
Future Salary Increases, including inflation	4.00 percent to 22 percent
COLA or Ad Hoc COLA	3 percent
Investment Rate of Return	7.75 percent net of investments expense, including inflation
Actuarial Cost Method	Entry Age Normal

For post-retirement mortality, the table used in evaluating allowances to be paid is the 1994 Group Annuity Mortality Table set back one year for both men and women. Special mortality tables are used for the period after disability retirement.

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The most recent experience study was completed June 30, 2010.

The long-term return expectation for the Pension Plan Investments has been determined using a building-block approach and assumes a time horizon, as defined in SERS’ Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes. The target allocation and best estimates of arithmetic real rates of return for each major assets class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	1.00 %	0.00 %
US Stocks	22.50	5.00
Non-US Stocks	22.50	5.50
Fixed Income	19.00	1.50
Private Equity	10.00	10.00
Real Assets	10.00	5.00
Multi-Asset Strategies	<u>15.00</u>	7.50
 Total	 <u>100.00 %</u>	

Discount Rate The total pension liability was calculated using the discount rate of 7.75 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the long-term assumed investment rate of return (7.75 percent). Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.75 percent, as well as what each plan’s net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.75 percent), or one percentage point higher (8.75 percent) than the current rate.

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	1% Decrease <u>(6.75%)</u>	Current Discount Rate <u>(7.75%)</u>	1% Increase <u>(8.75%)</u>
District's proportionate share of the net pension liability	\$30,134,525	\$21,121,795	\$13,541,311

Actuarial Assumptions - STRS

The total pension liability in the June 30, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75 percent
Projected salary increases	2.75 percent at age 70 to 12.25 percent at age 20
Investment Rate of Return	7.75 percent, net of investment expenses
Cost-of-Living Adjustments (COLA)	2 percent simple applied as follows: for members retiring before August 1, 2013, 2 percent per year; for members retiring August 1, 2013, or later, 2 percent COLA paid on fifth anniversary of retirement date.

Mortality rates were based on the RP-2000 Combined Mortality Table (Projection 2022—Scale AA) for Males and Females. Males' ages are set-back two years through age 89 and no set-back for age 90 and above. Females younger than age 80 are set back four years, one year set back from age 80 through 89 and not set back from age 90 and above.

Actuarial assumptions used in the June 30, 2014, valuation are based on the results of an actuarial experience study, effective July 1, 2012.

The 10 year expected real rate of return on pension plan investments was determined by STRS' investment consultant by developing best estimates of expected future real rates of return for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	31.00 %	8.00 %
International Equity	26.00	7.85
Alternatives	14.00	8.00
Fixed Income	18.00	3.75
Real Estate	10.00	6.75
Liquidity Reserves	<u>1.00</u>	3.00
Total	<u>100.00 %</u>	

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Discount Rate The discount rate used to measure the total pension liability was 7.75 percent as of June 30, 2014. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2014. Therefore, the long-term expected rate of return on pension plan investments of 7.75 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2014.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the District's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.75 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.75 percent) or one-percentage-point higher (8.75 percent) than the current rate:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
District's proportionate share of the net pension liability	\$103,720,020	\$72,449,962	\$46,006,016

Note 8 - Post Employment Benefits

School Employees Retirement System

Health Care Plan Description - The District contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 45 purposes, this plan is considered a cost-sharing, multiple-employer, defined benefit other postemployment benefit (OPEB) plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's, Medicare Advantage, and traditional indemnity plans as well as a prescription drug program. The financial report of the Plan is included in the SERS Comprehensive Annual Financial Report which can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). SERS' Retirement Board reserves the right to change or discontinue any health plan or program. Health care is financed through a combination of employer contributions and retiree premiums, copays and deductibles on covered health care expenses, investment returns, and any funds received as a result of SERS' participation in Medicare programs. Active employee members do not contribute to the Health Care Plan. Retirees and their beneficiaries are required to pay a health care premium that varies depending on the plan selected, the number of qualified years of service, Medicare eligibility and retirement status.

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Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required basic benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. For fiscal year 2015, 0.82 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. For fiscal year 2015, this amount was \$20,450. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2015, the District's surcharge obligation was \$80,908.

The District's contributions for health care for the fiscal years ended June 30, 2015, 2014, and 2013 were \$192,935, \$103,074, and \$106,863, respectively. For fiscal year 2015, 98 percent has been contributed, with the balance being reported as accrued wages and benefits. The full amount has been contributed for fiscal years 2014 and 2013.

State Teachers Retirement System

Plan Description – The District participates in the cost-sharing multiple-employer defined benefit Health Plan administered by the State Teachers Retirement System of Ohio (STRS) for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. The Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. All benefit recipients, for the most recent year, pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For fiscal year 2015, STRS did not allocate any employer contributions to post-employment health care. The District's contributions for health care for the fiscal years ended June 30, 2015, 2014, and 2013 were \$0, \$334,483, and \$356,610 respectively. The full amount has been contributed for fiscal years 2015, 2014 and 2013.

Note 9 – Employee Benefits Compensated Absences

The criteria for determining vacation and sick leave components are derived from negotiated agreements and State laws. Classified employees earn ten to twenty days of vacation per fiscal year, depending upon length of service. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers do not earn vacation time. Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to maximum of 260 days for teachers, 279 days for administrators and 265 days for classified staff. Upon retirement, payment is made for twenty-five percent of the employee's accumulated sick leave.

Note 10 – Short-Term Obligations

A summary of the short-term note transaction for the year ended June 30, 2014 follows:

Princeton City School District, Ohio
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	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Funds				
Notes Payable:				
2012 Tax Anticipation Note	\$3,755,000	\$0	\$425,000	\$3,330,000
Total Short-Term Liabilities	<u>\$3,755,000</u>	<u>\$0</u>	<u>\$425,000</u>	<u>\$3,330,000</u>

The \$4,170,000 of Tax Anticipation Notes was issued to pay for construction of buildings.

Note 11 – Long-Term Obligations

The changes in the School District's long-term obligations during fiscal year 2015 were as follows:

	Interest Rate	Restated Beginning Balance	Additions	Deletions	Ending Balance	Due In One Year
Governmental Activities:						
2006 Refunding Bonds	4.00-5.25%	\$69,900,000	\$0	(\$1,795,000)	\$68,105,000	\$2,150,000
2006 Refunding Bonds - Premium		3,717,144	0	(225,282)	3,491,862	0
2010 School Improvement Bonds	1.64-6.39%	116,500,000	0	(105,240,000)	11,260,000	0
2010 School Improvement Capital Appreciation Bonds - Principal Only		1,714,930	0	(478,575)	1,236,355	389,646
2010 School Improvement Capital Appreciation Bonds - Accreted Interest		3,993,526	1,868,181	(1,396,425)	4,465,282	0
2010 School Improvement Bonds - Premium		9,730,366	0	(9,730,366)	0	0
2012 Certificate of Participation	4.50%	15,225,000	0	0	15,225,000	0
2012 Certificate of Participation - Discount		(218,161)	0	7,933	(210,228)	0
2013 Energy Conservation Bonds		625,000	0	(40,000)	585,000	40,000
2013 Certificate of Participation		2,240,000	0	(20,000)	2,220,000	20,000
2013 Certificate of Participation - Premium		123,415	0	(4,255)	119,160	0
OASBO Loan		3,130,000	0	(135,000)	2,995,000	140,000
2015 Refunding Bonds		0	91,320,000	(325,000)	90,995,000	0
2015 Refunding Bonds - Capital Appreciation Bonds - Principal Only		0	6,795,000	0	6,795,000	0
2015 Refunding Bonds - Capital Appreciation Bonds - Accreted Interest		0	247,459	0	247,459	0
2015 Refunding Bonds - Premium		0	9,595,217	(342,686)	9,252,531	0
Net Pension Liability						
STRS		86,069,505	0	(13,619,543)	72,449,962	0
SERS		24,825,844	0	(3,704,049)	21,121,795	0
Total Net Pension Liability		<u>110,895,349</u>	<u>0</u>	<u>(17,323,592)</u>	<u>93,571,757</u>	<u>0</u>
Capital Lease Payable:						
Lease-Purchase Agreement	Various	121,177	0	(111,628)	9,549	9,549
Total General Obligation Bonds		<u>337,697,746</u>	<u>109,825,857</u>	<u>(137,159,876)</u>	<u>310,363,727</u>	<u>2,749,195</u>
Compensated Absences	N/A	<u>2,085,125</u>	<u>1,077,071</u>	<u>(1,054,159)</u>	<u>2,108,037</u>	<u>1,232,121</u>
Total Governmental Activities Long-Term Liabilities		<u>\$339,782,871</u>	<u>\$110,902,928</u>	<u>(\$138,214,035)</u>	<u>\$312,471,764</u>	<u>\$3,981,316</u>

2003 School Improvement Bonds – The School District issued School Improvement Bonds on December 1, 2003 in the amount of \$85,000,000 for the construction of new school buildings and renovation of certain existing buildings. These bonds mature on December 1, 2030 and pay interest at 4.77%. The bonds will be paid from the Debt Service Fund.

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For the Fiscal Year Ended June 30, 2015

2006 School Improvement Refunding Bonds – The School District issued \$70,840,000 in refunding bonds for the partial advance refunding of \$71,800,000 of school improvement bonds issued in 2003. These bonds mature on December 1, 2030 and pay interest of 4.0% - 5.0%. The bonds are paid from the Debt Service Fund.

2010 School Improvement Bonds - The School District issued \$119,999,930 in school improvement bonds on September 9, 2010 for the refinancing of bond anticipation notes and paying for a portion of the costs of new construction, improvements, renovations and additions to school facilities. The issuance includes \$1,785,000 of current interest bonds due 12/1/2012 and 12/1/2013 at 2.0%; \$1,714,930 of capital appreciation bonds with maturities on December 1, 2014 through 2020 with yields from 1.64% to 3.27%.; \$9,515,000 in serial bonds at interest rates from 4.01%-4.86% and maturing on December 1, 2020 through 2024; \$95,730,000 of term bonds at a rate from 5.49%-6.39% with maturities on December 1, 2030, 2035, 2040 and 2047; and \$11,260,000 in term bonds at 5.24% with sinking requirements beginning December 1, 2024 until final maturity on September 15, 2027. The bonds will be paid from the Debt Service Fund.

2012 Certificate of Participation – The School District issued \$15,225,000 in certificate of participation bonds for the renovation of existing buildings. These bonds mature on December 1, 2041 and pay interest at 4.50%. The bonds are paid from the Debt Service Fund.

OASBO loan – The School District entered into a loan agreement through the Ohio Association of School Business Officials Asset Pooled Financing Program for \$3,628,000. The loan is being used for completion of the School District’s renovation of buildings and is payable from the General Fund. The Loan matures on December 1, 2030.

2013 Certificate of Participation – The School District issued \$2,300,000 in certificate of participation bonds for the renovation of existing buildings. These bonds mature on December 1, 2042 and pay interest at 2.20%. The bonds are paid from the Debt Service Fund.

2013 Energy Conservation Bonds – The School District issued \$645,000 in energy conservation bonds for energy conservation measures associated with the renovation of existing buildings. These bonds mature on December 1, 2027 and pay interest at 1.75%. The bonds are paid from the Debt Service Fund.

All general obligation debt is supported by the full faith and credit of the School District. Compensated absences payable are generally paid from the General Fund and Special Revenue funds.

Principal and Interest requirements to retire general obligation debt outstanding at year end are as follows:

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Princeton City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

Fiscal Year Ending June 30	Current Interest Bonds			Capital Appreciation Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2016	\$2,350,000	\$8,891,177	\$11,241,177	\$389,646	\$1,725,354	\$2,115,000
2017	2,445,000	8,774,142	11,219,142	286,572	1,868,428	2,155,000
2018	2,636,000	8,656,066	11,292,066	202,998	1,912,002	2,115,000
2019	3,006,000	8,531,027	11,537,027	167,658	2,252,342	2,420,000
2020	3,227,000	8,392,517	11,619,517	118,024	2,241,976	2,360,000
2021-2025	32,412,000	38,444,725	70,856,725	71,458	1,908,542	1,980,000
2026-2030	44,236,000	29,397,023	73,633,023	0	0	0
2031-2035	44,528,000	18,549,081	63,077,081	0	0	0
2036-2040	53,885,000	7,547,200	61,432,200	0	0	0
2041-2045	2,660,000	136,575	2,796,575	6,795,000	15,635,000	22,430,000
Total	<u>\$191,385,000</u>	<u>\$137,319,533</u>	<u>\$328,704,533</u>	<u>\$8,031,356</u>	<u>\$27,543,644</u>	<u>\$35,575,000</u>

Note 12 – Advance Refunding

On July 29, 2014 the District issued \$91,320,000 in Current Interest Bonds with an interest rate between 4.01% and 6.39% and \$6,795,000 in Capital Appreciation Bonds all of which was used to partially advance refund \$7,125,000 of the outstanding 2010 General Obligation Bonds with an interest rate between 1.64% and 6.39%. The net proceeds of \$107,354,884 (after payment of underwriting fees, insurance and other issuance costs) were used to purchase U.S. government securities. Those securities were deposited into an irrevocable trust with an escrow agent to provide all future debt service payments on the three bond issues. As a result, \$7,125,000 of the 2010 General Obligation Bonds are considered to be defeased and the related liability for those bonds have been removed from the Statement of Net Position.

The District advance refunded 2010 General Obligation Bonds to reduce its total debt service payments by \$7,755,177 and to obtain an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$719,985.

Note 13 - Prior Year Defeasance of Debt

In prior years, the School District defeased certain general obligation bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included on the School District's financial statements. On June 30, 2015, \$71,800,000 of bonds is considered defeased.

Note 14 – Capital Leases – Lessee Disclosure

On July 7, 2010, the District entered into a lease agreement for various copiers throughout the School District. Assets acquired under these leases were \$509,975. The lease meets the criteria of a capital lease as defined by generally accepted accounting principles. In the case of the copier lease, the term is sixty months. Capital lease payments have been reflected as debt service expenditures.

The following is a schedule of the future minimum lease payments for the capital leases, and the present value of the future minimum lease payments at June 30, 2015:

Princeton City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

Fiscal Year Ending June 30	Principal
2016	<u>\$9,587</u>
Total Minimum Lease Payments	9,587
Amount Representing Interest	<u>(39)</u>
Present Value of Minimum Lease Payments	<u><u>\$9,548</u></u>

Note 15 – Jointly Governed Organizations

Southwest Ohio Computer Association

The District is a participant in the Southwest Ohio Computer Association (SWOCA), which is a computer consortium. SWOCA is an association of public schools and educational service centers within the boundaries of Butler, Preble, and Warren Counties. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to the administrative and instructional functions among member school districts. The Board of SWOCA consists of one representative from each of the participating members. The degree of control exercised by any participating district is limited to its representation on the Board. Financial information can be obtained from Mike Crumley, Executive Director, Butler County JVS, 3603 Hamilton-Middletown Road, Hamilton, Ohio 45011.

The Great Oaks Institute of Technology and Career Development

The Great Oaks Institute of Technology and Career Development, a jointly governed organization, is a distinct political subdivision of the State of Ohio operated under the direction of a Board, consisting of one representative from each of the participating school district's elected board. The Board possesses its own budgeting and taxing authority as a separate body politic and corporate, established by the Ohio Revised Code. Great Oaks was formed for the purpose of providing vocational education opportunities to the students of the member school districts, which includes the students of the School District. The School District has no ongoing financial interest in or responsibility for Great Oaks. To obtain financial information, write to Great Oaks at 3254 East Kemper Road, Cincinnati, Ohio 45241.

Note 16 – Fund Balances

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the School District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

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Princeton City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

Fund Balances	General	Bond Retirement	Building	Nonmajor Governmental Funds	Total
Nonspendable:					
Endowment	\$0	\$0	\$0	\$44	\$44
Total Nonspendable	0	0	0	44	44
Restricted for:					
Budget Set Aside	212,907	0	0	0	212,907
Food Service	0	0	0	2,129,496	2,129,496
Other Grants	0	0	0	70,955	70,955
Athletic	0	0	0	491,456	491,456
Auxiliary Services	0	0	0	63,140	63,140
Data Communication	0	0	0	54,000	54,000
Ohio Reads	0	0	0	3,119	3,119
Alternative Schools	0	0	0	100,185	100,185
IDEA Special Education	0	0	0	55,192	55,192
Vocational Education	0	0	0	70	70
Title III	0	0	0	2,632	2,632
Drug Free School Grant	0	0	0	2,620	2,620
Preschool Development Grant	0	0	0	5,371	5,371
Reducing Class Size	0	0	0	10,089	10,089
Bond Retirement	0	8,574,116	0	0	8,574,116
Permanent Improvement Building	0	0	10,353,597	0	10,353,597
Total Restricted	212,907	8,574,116	10,353,597	7,899,745	27,040,365
Committed to:					
Underground Storage Tanks	11,000	0	0	0	11,000
Total Committed	11,000	0	0	0	11,000
Assigned to:					
Encumbrances	1,691,703	0	0	0	1,691,703
Public School	311,314	0	0	0	311,314
Total Assigned	2,003,017	0	0	0	2,003,017
Unassigned (Deficit)	35,946,883	0	0	(291,955)	35,654,928
Total Fund Balance	<u>\$38,173,807</u>	<u>\$8,574,116</u>	<u>\$10,353,597</u>	<u>\$7,607,834</u>	<u>\$64,709,354</u>

Encumbrances (assigned) will be used for instruction, support services and capital improvements throughout the District.

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Princeton City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

Note 17 – Accountability

At June 30, 2015, the following funds had deficit fund balances:

Other Governmental Funds	Deficit
Special Revenue Funds:	
Public School Subsidy	\$130,096
Race to the Top	403
Miscellaneous State Grants	19,254
Title I	108,921
Miscellaneous Federal Grants	33,281

These deficit balances were created by the application of generally accepted accounting principles. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

Note 18 – Contingencies Grants

Foundation Funding

District Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. Effective for the 2014-2015 school year, traditional school districts must comply with minimum hours of instruction, instead of a minimum number of school days each year. The funding formula the Ohio Department of Education (ODE) is legislatively required to follow will continue to adjust as enrollment information is updated by the school district, which can extend past the fiscal year end. As of the date of this report, ODE has not finalized the impact of enrollment adjustments to the June 30, 2015 Foundation funding for the District; therefore, the financial statement impact is not determinable at this time. ODE and management believe this will result in either a receivable to or liability of the District.

Litigation

The School District is party to legal proceedings. The School District management is of the opinion that the ultimate disposition of claims will not have a material effect, if any, on the financial condition of the School District.

Note 19 – Required Set-Asides

The School District is required by State statute to annually set aside in the general fund an amount based on the statutory formula for the acquisition and construction of capital improvements. Amounts not spent by year-end or offset by similarly restricted resources received during the year must be held in cash at year-end and carried forward to be used for the same purposes in future years. The School District was also required by State statute to set aside an amount for budget stabilization.

The following cash basis information describes the change in the year-end set aside amounts for capital acquisition. Disclosure of this information is required by State statute.

Princeton City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

	Capital Improvements	Budget Stabilization
Set Aside Reserve Balance as of June 30, 2014	\$0	\$212,907
Current Year Set Aside Requirements	888,749	0
Qualified Disbursements	(762,148)	0
Current Year Offsets	(126,601)	0
Set Aside Reserve Balance as of June 30, 2015	<u>\$0</u>	<u>\$212,907</u>
Restricted Cash as of June 30, 2015	<u>\$0</u>	<u>\$212,907</u>

The excess qualifying disbursements of the capital improvement set-aside may not be used to reduce the capital improvement set aside requirements of future years.

Note 20 – Significant Contractual and Other Commitments

As of June 30, 2015, the School District had entered into various construction contracts for the construction and improvements under which it had a remaining unperformed and unpaid total commitment of approximately \$10,151,306.

The District utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year end may be reported as part of restricted, committed or assigned classifications of fund balance. At year end, the Districts’ commitments for encumbrances in the governmental funds were as follows:

<u>Description</u>	<u>Remaining Commitment</u>
General	\$1,932,595
Bond Retirement	0
Building	10,172,542
Other Governmental	1,656,004

Note 21 – Change in Accounting Principles

The District adopted the provisions of GASB Statement Number 68, *Accounting and Financial Reporting for Pensions* – an amendment of GASB Statement No. 27 and GASB Statement Number 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* – an amendment of GASB Statement Number 68. GASB Statement Number 68 establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2014 and have been implemented by the District. GASB Statement Number 71 amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources of its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts. The provisions of this

Princeton City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

Statement are required to be applied simultaneously with the provisions of Statement 68.

Note 22 – Change in Accounting Principle and Restatement of Net Position

For fiscal year 2015, the District implemented the Governmental Accounting Standards Board (GASB) Statement No. 68, “Accounting and Financial Reporting for Pensions” and GASB Statement No. 71, “Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68.” GASB 68 established standards for measuring and recognizing pension liabilities, deferred outflows of resources deferred inflows of resources and expense/expenditure. The implementation of this pronouncement had the following effect on net position as reported June 30, 2014:

Net position June 30, 2014	\$50,915,391
Adjustments:	
Net Pension Liability	(110,895,349)
Deferred Outflow - Payments Subsequent to Measurement Date	<u>5,958,461</u>
Restated Net Position June 30, 2014	<u><u>(\$54,021,497)</u></u>

Other than employer contributions subsequent to the measurement date, the District made no restatement for deferred inflows/outflows of resources as the information needed to generate these restatements was not available.

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REQUIRED SUPPLEMENTARY INFORMATION

Princeton City School District
 Required Supplementary Information
 Schedule of the District's Proportionate Share
 of the Net Pension Liability
 State Teachers Retirement System of Ohio
 Last Two Fiscal Years (1)

	2014	2013
District's Proportion of the Net Pension Liability	0.29786042%	0.29786042%
District's Proportionate Share of the Net Pension Liability	\$72,449,962	\$86,069,505
District's Covered-Employee Payroll	\$29,985,198	\$31,864,632
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	241.62%	270.11%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	74.70%	69.30%

(1) - Information prior to 2013 is not available

Princeton City School District
 Required Supplementary Information
 Schedule of the District's Proportionate Share
 of the Net Pension Liability
 School Employees Retirement System of Ohio
 Last Two Fiscal Years (1)

	2014	2013
District's Proportion of the Net Pension Liability	0.417349%	0.417349%
District's Proportionate Share of the Net Pension Liability	\$21,121,795	\$24,825,844
District's Covered-Employee Payroll	\$12,010,675	\$12,646,285
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	175.86%	196.31%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	71.70%	65.52%

(1) - Information prior to 2013 is not available

Princeton City School District
 Required Supplementary Information
 Schedule of District Contributions
 State Teachers Retirement System of Ohio
 Last Eight Fiscal Years (1)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Contractually Required Contribution	\$4,256,538	\$4,260,635	\$4,992,533	\$4,985,439	\$5,145,000	\$5,272,000	\$5,045,000	\$5,278,088	\$4,793,000	\$4,382,000
Contributions in Relation to the Contractually Required Contribution	(4,256,538)	(4,260,635)	(4,992,533)	(4,985,439)	(5,145,000)	(5,272,000)	(5,045,000)	(5,278,088)	(4,793,000)	(4,382,000)
Contribution Deficiency (Excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
District Covered-Employee Payroll	\$30,399,800	\$29,985,198	\$31,864,632	\$31,833,766	\$34,123,153	\$34,354,788	\$33,918,257	\$32,224,650	N/A	N/A
Contributions as a Percentage of Covered-Employee Payroll	14.00%	14.21%	15.67%	15.66%	15.08%	15.35%	14.87%	16.38%	0.00%	0.00%

(1) - Information prior to 2008 is not available

Princeton City School District
 Required Supplementary Information
 Schedule of District Contributions
 School Employees Retirement System of Ohio
 Last Eight Fiscal Years (1)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Contractually Required Contribution	\$1,912,656	\$1,697,826	\$2,429,448	\$2,331,912	\$2,085,000	\$2,082,000	\$2,015,000	\$2,001,888	\$1,947,000	\$1,813,000
Contributions in Relation to the Contractually Required Contribution	(1,912,656)	(1,697,826)	(2,429,448)	(2,331,912)	(2,085,000)	(2,082,000)	(2,015,000)	(2,001,888)	(1,947,000)	(1,813,000)
Contribution Deficiency (Excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
District Covered-Employee Payroll	\$9,546,941	\$12,010,675	\$12,646,285	\$13,512,486	\$14,555,676	\$14,446,189	\$13,303,176	\$12,939,373	N/A	N/A
Contributions as a Percentage of Covered-Employee Payroll	20.03%	14.14%	19.21%	17.26%	14.32%	14.41%	15.15%	15.47%	0.00%	0.00%

(1) - Information prior to 2008 is not available

Princeton City School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2015

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	\$47,674,575	\$49,195,613	\$49,478,138	\$282,525
Revenue in lieu of taxes	774,596	799,310	803,900	4,590
Tuition and Fees	1,776,952	1,833,645	1,844,175	10,530
Investment Earnings	81,832	84,443	84,928	485
Intergovernmental	24,239,543	25,012,896	25,156,542	143,646
Extracurricular Activities	89,427	92,280	92,810	530
Charges for Services	530	547	550	3
Other Revenues	343,089	354,035	356,068	2,033
Total Revenues	74,980,544	77,372,769	77,817,111	444,342
Expenditures:				
Current:				
Instruction:				
Regular	30,348,597	32,165,082	30,430,183	1,734,899
Special	9,553,070	10,124,859	9,578,751	546,108
Vocational	79,191	83,931	79,404	4,527
Adult/Continuing	6,543	6,990	6,561	429
Other	2,222,080	2,355,081	2,228,054	127,027
Support Services:				
Pupil	3,768,863	3,994,445	3,778,995	215,450
Instructional Staff	1,375,118	1,457,425	1,378,815	78,610
General Administration	367,430	389,422	368,418	21,004
School Administration	5,138,319	5,445,868	5,152,132	293,736
Fiscal	1,500,216	1,590,010	1,504,249	85,761
Business	86,202	91,362	86,434	4,928
Operations and Maintenance	7,765,877	8,230,696	7,786,754	443,942
Pupil Transportation	5,132,884	5,440,108	5,146,683	293,425
Central	1,039,603	1,101,828	1,042,398	59,430
Operation of Non-Instructional Services	148,648	157,546	149,048	8,498
Extracurricular Activities	317,193	336,179	318,046	18,133
Capital Outlay	386,670	409,813	387,709	22,104
Total Expenditures	69,236,504	73,380,645	69,422,634	3,958,011
Excess of Revenues Over (Under) Expenditures	5,744,040	3,992,124	8,394,477	4,402,353
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	1,124,823	1,160,710	1,167,376	6,666
Advances In	502,113	518,132	521,108	2,976
Advances (Out)	(49,866)	(52,851)	(50,000)	2,851
Transfers In	144,532	149,143	150,000	857
Transfers (Out)	(3,342,784)	(3,542,863)	(3,351,770)	191,093
Total Other Financing Sources (Uses)	(1,621,182)	(1,767,729)	(1,563,286)	204,443
Net Change in Fund Balance	4,122,858	2,224,395	6,831,191	4,606,796
Fund Balance Beginning of Year, (includes prior year encumbrances appropriated)	16,562,331	16,562,331	16,562,331	0
Fund Balance - End of Year	\$20,685,189	\$18,786,726	\$23,393,522	\$4,606,796

See accompanying notes to the required supplementary information.

Princeton City School District, Ohio
Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2015

Note 1 - Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriations resolution and the certificate of estimated resources which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount that the Board of Education may appropriate. The appropriation resolution is the Board's authorization to spend resources and set annual limits on expenditures at the level of control selected by the Board. The legal level of control has been established by the Board at the fund level. Although the legal level of budgetary control was established at the fund level of expenditures, the District has elected to present budgetary statement comparisons at the fund and function level of expenditures. Any budgetary modifications at this level may only be made by resolution of the Board.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources issued during the fiscal year 2015.

The appropriation resolution is subject to amendment by the Board throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board during the year.

While the District is reporting financial position, results of operations and changes in fund balance on the basis of GAAP, the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis) presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are as follows:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures for all funds (budget basis) rather than as an assignment of fund balance for governmental fund types (GAAP basis).
4. Advances in and advances out are operating transactions (budget basis) as opposed to balance sheet transactions.
5. Some funds are reported as part of the general fund (GAAP basis) as opposed to the general fund being reported alone (budget basis).

Princeton City School District, Ohio
Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2015

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general fund.

Net Change in Fund Balance

	<u>General</u>
GAAP Basis	\$8,922,666
Revenue Accruals	550,598
Expenditure Accruals	(1,193,778)
Transfers In	150,000
Transfers Out	(166,850)
Advances In	521,108
Advances (Out)	(50,000)
Encumbrances	(1,909,211)
Funds Budgeted Elsewhere	6,658
	<u>\$6,831,191</u>

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COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES



MAJOR GOVERNMENTAL FUNDS

Bond Retirement Fund - The bond retirement fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. Debt service funds should be used to report resources if legally mandated (i.e. debt payable from property taxes). Financial resources that are being accumulated for principal and interest maturing in future years also should be reported in debt service funds. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance for both are included in the Basic Financial Statements. The Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Non-GAAP Budgetary Basis) follows this page.

Building Fund - The building fund is used to account for receipts and expenditures related to the acquisition and construction of capital facilities including real property. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance for both are included in the Basic Financial Statements. The Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Non-GAAP Budgetary Basis) follows this page.

Princeton City School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2015

	Bond Retirement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$10,836,525	\$10,898,003	\$61,478
Revenue in lieu of taxes	40,538	40,768	230
Intergovernmental	1,834,382	1,844,789	10,407
Total Revenues	<u>12,711,445</u>	<u>12,783,560</u>	<u>72,115</u>
Expenditures:			
Current:			
Support Services:			
Fiscal	173,777	171,948	1,829
Debt Service:			
Principal Retirement	3,553,833	3,516,425	37,408
Interest and Fiscal Charges	7,585,720	7,505,872	79,848
Total Expenditures	<u>11,313,330</u>	<u>11,194,245</u>	<u>119,085</u>
Excess of Revenues Over (Under) Expenditures	<u>1,398,115</u>	<u>1,589,315</u>	<u>191,200</u>
Other Financing Sources (Uses):			
Proceeds of Long-Term Capital-Related Debt	137,899	138,681	782
Total Other Financing Sources (Uses)	<u>137,899</u>	<u>138,681</u>	<u>782</u>
Net Change in Fund Balance	1,536,014	1,727,996	191,982
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	<u>2,601,119</u>	<u>2,601,119</u>	<u>0</u>
Fund Balance - End of Year	<u>\$4,137,133</u>	<u>\$4,329,115</u>	<u>\$191,982</u>

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2015

	Building Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	(\$301,042)	(\$300,882)	\$160
Total Revenues	(301,042)	(300,882)	160
Expenditures:			
Current:			
Support Services:			
Fiscal	15,082	14,846	236
Capital Outlay	27,076,497	26,652,558	423,939
Total Expenditures	27,091,579	26,667,404	424,175
Excess of Revenues Over (Under) Expenditures	(27,392,621)	(26,968,286)	424,335
Other Financing Sources (Uses):			
Transfers In	129,911,885	129,842,878	(69,007)
Transfers (Out)	(131,908,176)	(129,842,879)	2,065,297
Total Other Financing Sources (Uses)	(1,996,291)	(1)	1,996,290
Net Change in Fund Balance	(29,388,912)	(26,968,287)	2,420,625
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	29,414,398	29,414,398	0
Fund Balance - End of Year	\$25,486	\$2,446,111	\$2,420,625

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The term *proceeds of specific revenue sources* establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund.

Capital Projects Fund

The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

Permanent Fund

The Permanent Fund should be used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for the purposes that support the reporting government's programs – that is, for the benefit of the government or its citizenry. The Permanent fund does not include private-purpose trust funds, which should be used to report situations in which the government is required to use the principal or earnings for the benefit of individuals, private organizations, or other governments.

Princeton City School District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2015

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Assets:				
Equity in Pooled Cash and Investments	\$3,197,596	\$4,759,207	\$44	\$7,956,847
Receivables (Net):				
Taxes	0	2,109,155	0	2,109,155
Accounts	39,606	0	0	39,606
Intergovernmental	1,010,577	0	0	1,010,577
Inventory	25,348	0	0	25,348
Total Assets	4,273,127	6,868,362	44	11,141,533
Liabilities:				
Accounts Payable	68,832	0	0	68,832
Accrued Wages and Benefits	588,682	0	0	588,682
Compensated Absences	101,397	0	0	101,397
Contracts Payable	0	412,787	0	412,787
Interfund Payable	296,693	150,000	0	446,693
Total Liabilities	1,055,604	562,787	0	1,618,391
Deferred Inflows of Resources:				
Property Taxes	0	1,394,155	0	1,394,155
Grants and Other Taxes	521,153	0	0	521,153
Total Deferred Inflows of Resources	521,153	1,394,155	0	1,915,308
Fund Balances:				
Nonspendable	0	0	44	44
Restricted	2,988,325	4,911,420	0	7,899,745
Unassigned	(291,955)	0	0	(291,955)
Total Fund Balances	2,696,370	4,911,420	44	7,607,834
Total Liabilities, Deferred Inflows and Fund Balances	\$4,273,127	\$6,868,362	\$44	\$11,141,533

Princeton City School District
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2015

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Revenues:				
Property and Other Taxes	\$0	\$2,051,526	\$0	\$2,051,526
Tuition and Fees	10	0	0	10
Investment Earnings	1,825,589	2	25	1,825,616
Intergovernmental	6,560,687	155,770	0	6,716,457
Extracurricular Activities	86,564	0	0	86,564
Charges for Services	394,741	0	0	394,741
Revenue in Lieu of Taxes	0	7,194	0	7,194
Other Revenues	82,488	0	0	82,488
Total Revenues	8,950,079	2,214,492	25	11,164,596
Expenditures:				
Current:				
Instruction:				
Regular	929,038	0	0	929,038
Special	852,542	0	0	852,542
Other	43,197	0	0	43,197
Support Services:				
Pupil	349,113	0	0	349,113
Instructional Staff	1,686,193	0	0	1,686,193
School Administration	134,132	0	0	134,132
Fiscal	0	32,730	0	32,730
Operations and Maintenance	0	17,445	0	17,445
Pupil Transportation	20,170	0	0	20,170
Central	2,855	19,632	0	22,487
Operation of Non-Instructional Services	4,049,700	0	0	4,049,700
Extracurricular Activities	893,328	0	0	893,328
Capital Outlay	0	543,770	0	543,770
Debt Service:				
Principal Retirement	0	306,628	0	306,628
Interest and Fiscal Charges	0	904,541	0	904,541
Total Expenditures	8,960,268	1,824,746	0	10,785,014
Excess of Revenues Over (Under) Expenditures	(10,189)	389,746	25	379,582
Other Financing Sources (Uses):				
Transfers In	677,464	2,507,456	0	3,184,920
Transfers (Out)	0	(517,550)	0	(517,550)
Total Other Financing Sources (Uses)	677,464	1,989,906	0	2,667,370
Net Change in Fund Balance	667,275	2,379,652	25	3,046,952
Fund Balance - Beginning of Year	2,029,095	2,531,768	19	4,560,882
Fund Balance - End of Year	\$2,696,370	\$4,911,420	\$44	\$7,607,834

NONMAJOR SPECIAL REVENUE FUNDS

Fund Descriptions

Food Service - To account for all revenues and expenses related to the provision of food services, including breakfast and lunch, for the District students and staff.

Other Grants - To account for local funds, which are provided to assist the District with various programs.

Athletic - To account for those student activity programs which have student participation in the activity but do not have student management in the programs. This fund includes athletic programs as well as the band, cheerleaders, flag corps and other similar types of activities.

Auxiliary Services - To account for state funds which provide services and materials to students attending non-public schools within the boundaries of the District as provided by state law.

Public Preschool Subsidy - To account for state funds to assist school districts in paying the cost of preschool programs.

Data Communication - To account for funds to be used for communications.

Ohio Reads - To account for state monies and operating expenditures associated with the administering of the Ohio Reads Program. This program is intended to improve reading outcomes, particularly on the fourth grade proficiency test.

Alternative Schools - To account for state funds which provide for alternative educational programs for at-risk and delinquent youth.

Miscellaneous State Grants - To account for various monies received from state agencies which are not classified elsewhere.

Race to the Top – To account for a competitive grant program designed to encourage and reward states that are creating the conditions for education innovation and reform; achieving significant improvement in student outcomes, including making substantial gains in student achievement, closing achievement gaps, improving high school graduation rates, and ensuring student preparation for success in college and careers.

IDEA Special Education - To account for federal funds for the provision of full educational opportunities to handicapped children at the preschool, elementary and secondary levels; assist in the training of teachers, supervisors and other specialist in providing educational services to the handicapped.

NONMAJOR SPECIAL REVENUE FUNDS

Fund Descriptions

Vocational Education - To account for federal funds used in the development of vocational education programs in the following categories: secondary, post-secondary, adult, disadvantaged and handicapped persons, cooperative education, advisory committee, and work-study projects.

Title III - To account for federal funds provided for students whose native language is not English.

Title I - To account for federal funds for services provided to meet special educational needs of educationally deprived children.

Drug Free Schools Grant - To account for federal funds used for establishment, operation and improvement of programs of drug abuse prevention, early intervention, rehabilitation referral and education in schools.

Preschool Development Grant - To account for revenues and expenditures made in conjunction with child abuse, child neglect prevention programs and other grants.

Reducing Class Size – To account for federal funds received for class size reduction.

Miscellaneous Federal Grants - To account for various monies received directly from the federal government, which are, not classified elsewhere.

Princeton City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2015

	Food Service	Other Grants	Athletic	Auxiliary Services
Assets:				
Equity in Pooled Cash and Investments	\$2,239,292	\$71,012	\$547,695	\$96,858
Receivables (Net):				
Accounts	39,241	0	365	0
Intergovernmental	0	0	0	0
Inventory	25,348	0	0	0
Total Assets	2,303,881	71,012	548,060	96,858
Liabilities:				
Accounts Payable	2,995	0	6,604	11,779
Accrued Wages and Benefits	171,390	0	0	17,742
Compensated Absences	0	0	0	0
Interfund Payable	0	57	50,000	4,197
Total Liabilities	174,385	57	56,604	33,718
Deferred Inflows of Resources:				
Grants and Other Taxes	0	0	0	0
Total Deferred Inflows of Resources	0	0	0	0
Fund Balances:				
Restricted	2,129,496	70,955	491,456	63,140
Unassigned	0	0	0	0
Total Fund Balances	2,129,496	70,955	491,456	63,140
Total Liabilities, Deferred Inflows and Fund Balances	\$2,303,881	\$71,012	\$548,060	\$96,858

Public Preschool Subsidy	Data Communication	Ohio Reads	Alternative Schools	Miscellaneous State Grants	Race To The Top	IDEA Special Education
\$0	\$54,000	\$3,119	\$100,185	\$25,293	\$3,145	\$36,531
0	0	0	0	0	0	0
95,711	0	0	0	3,780	0	251,566
0	0	0	0	0	0	0
<u>95,711</u>	<u>54,000</u>	<u>3,119</u>	<u>100,185</u>	<u>29,073</u>	<u>3,145</u>	<u>288,097</u>
0	0	0	0	0	0	11,418
45,917	0	0	0	5,703	0	113,221
0	0	0	0	0	0	0
84,179	0	0	0	38,844	3,548	0
<u>130,096</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>44,547</u>	<u>3,548</u>	<u>124,639</u>
<u>95,711</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,780</u>	<u>0</u>	<u>108,266</u>
<u>95,711</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,780</u>	<u>0</u>	<u>108,266</u>
0	54,000	3,119	100,185	0	0	55,192
(130,096)	0	0	0	(19,254)	(403)	0
<u>(130,096)</u>	<u>54,000</u>	<u>3,119</u>	<u>100,185</u>	<u>(19,254)</u>	<u>(403)</u>	<u>55,192</u>
<u>\$95,711</u>	<u>\$54,000</u>	<u>\$3,119</u>	<u>\$100,185</u>	<u>\$29,073</u>	<u>\$3,145</u>	<u>\$288,097</u>

Continued

Princeton City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2015

	Vocational Education	Title III	Title I	Drug Free School Grant
Assets:				
Equity in Pooled Cash and Investments	\$70	\$7,921	\$0	\$2,620
Receivables (Net):				
Accounts	0	0	0	0
Intergovernmental	0	52,508	489,815	0
Inventory	0	0	0	0
Total Assets	70	60,429	489,815	2,620
Liabilities:				
Accounts Payable	0	0	35,946	0
Accrued Wages and Benefits	0	18,868	196,447	0
Compensated Absences	0	0	101,397	0
Interfund Payable	0	0	80,676	0
Total Liabilities	0	18,868	414,466	0
Deferred Inflows of Resources:				
Grants and Other Taxes	0	38,929	184,270	0
Total Deferred Inflows of Resources	0	38,929	184,270	0
Fund Balances:				
Restricted	70	2,632	0	2,620
Unassigned	0	0	(108,921)	0
Total Fund Balances	70	2,632	(108,921)	2,620
Total Liabilities, Deferred Inflows and Fund Balances	\$70	\$60,429	\$489,815	\$2,620

Preschool Development Grant	Reducing Class Size	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
\$3,461	\$4,483	\$1,911	\$3,197,596
0	0	0	39,606
7,119	110,078	0	1,010,577
0	0	0	25,348
<u>10,580</u>	<u>114,561</u>	<u>1,911</u>	<u>4,273,127</u>
90	0	0	68,832
0	19,394	0	588,682
0	0	0	101,397
0	0	35,192	296,693
<u>90</u>	<u>19,394</u>	<u>35,192</u>	<u>1,055,604</u>
<u>5,119</u>	<u>85,078</u>	<u>0</u>	<u>521,153</u>
<u>5,119</u>	<u>85,078</u>	<u>0</u>	<u>521,153</u>
5,371	10,089	0	2,988,325
0	0	(33,281)	(291,955)
<u>5,371</u>	<u>10,089</u>	<u>(33,281)</u>	<u>2,696,370</u>
<u>\$10,580</u>	<u>\$114,561</u>	<u>\$1,911</u>	<u>\$4,273,127</u>

Princeton City School District
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2015

	Food Service	Other Grants	Athletic	Auxiliary Services
Revenues:				
Tuition and Fees	\$0	\$0	\$10	\$0
Investment Earnings	0	0	0	0
Intergovernmental	2,356,008	0	0	1,300,636
Extracurricular Activities	0	0	86,564	0
Charges for Services	394,741	0	0	0
Other Revenues	39,241	18,975	24,272	0
Total Revenues	2,789,990	18,975	110,846	1,300,636
Expenditures:				
Current:				
Instruction:				
Regular	0	10,406	0	0
Special	0	0	0	0
Other	0	0	0	0
Support Services:				
Pupil	0	2,882	0	0
Instructional Staff	0	0	0	0
School Administration	0	0	0	0
Pupil Transportation	0	0	0	0
Central	0	0	0	0
Operation of Non-Instructional Services	2,256,657	0	0	1,565,592
Extracurricular Activities	0	0	893,328	0
Total Expenditures	2,256,657	13,288	893,328	1,565,592
Excess of Revenues Over (Under) Expenditures	533,333	5,687	(782,482)	(264,956)
Other Financing Sources (Uses):				
Transfers In	0	0	665,000	0
Total Other Financing Sources (Uses)	0	0	665,000	0
Net Change in Fund Balance	533,333	5,687	(117,482)	(264,956)
Fund Balance - Beginning of Year	1,596,163	65,268	608,938	328,096
Fund Balance - End of Year	<u>\$2,129,496</u>	<u>\$70,955</u>	<u>\$491,456</u>	<u>\$63,140</u>

Public Preschool Subsidy	Data Communication	Ohio Reads	Alternative Schools	Miscellaneous State Grants	Race To The Top	IDEA Special Education
\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0	0
148,435	18,000	0	88,801	82,116	151,930	1,531,605
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>148,435</u>	<u>18,000</u>	<u>0</u>	<u>88,801</u>	<u>82,116</u>	<u>151,930</u>	<u>1,531,605</u>
260,623	0	0	0	0	0	0
0	0	0	0	0	0	694,790
0	0	0	1,953	0	0	0
0	0	0	33,813	20,796	0	255,046
0	0	0	0	0	47,088	109,636
0	0	0	0	0	0	133,110
0	0	0	0	0	0	2,678
0	0	0	2,000	0	0	855
0	0	0	0	0	0	173,428
0	0	0	0	0	0	0
<u>260,623</u>	<u>0</u>	<u>0</u>	<u>37,766</u>	<u>20,796</u>	<u>47,088</u>	<u>1,369,543</u>
<u>(112,188)</u>	<u>18,000</u>	<u>0</u>	<u>51,035</u>	<u>61,320</u>	<u>104,842</u>	<u>162,062</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>418</u>	<u>0</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>418</u>	<u>0</u>
<u>(112,188)</u>	<u>18,000</u>	<u>0</u>	<u>51,035</u>	<u>61,320</u>	<u>105,260</u>	<u>162,062</u>
<u>(17,908)</u>	<u>36,000</u>	<u>3,119</u>	<u>49,150</u>	<u>(80,574)</u>	<u>(105,663)</u>	<u>(106,870)</u>
<u>(\$130,096)</u>	<u>\$54,000</u>	<u>\$3,119</u>	<u>\$100,185</u>	<u>(\$19,254)</u>	<u>(\$403)</u>	<u>\$55,192</u>

Continued

Princeton City School District
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2015

	Vocational Education	Title III	Title I	Drug Free School Grant
Revenues:				
Tuition and Fees	\$0	\$0	\$0	\$0
Investment Earnings	0	0	1,825,589	0
Intergovernmental	10,000	276,637	305,545	0
Extracurricular Activities	0	0	0	0
Charges for Services	0	0	0	0
Other Revenues	0	0	0	0
Total Revenues	10,000	276,637	2,131,134	0
Expenditures:				
Current:				
Instruction:				
Regular	0	0	658,009	0
Special	0	136,114	0	0
Other	0	0	41,244	0
Support Services:				
Pupil	10,514	26,062	0	0
Instructional Staff	0	12,161	1,270,095	0
School Administration	0	1,022	0	0
Pupil Transportation	0	0	17,492	0
Central	0	0	0	0
Operation of Non-Instructional Services	0	0	38,060	0
Extracurricular Activities	0	0	0	0
Total Expenditures	10,514	175,359	2,024,900	0
Excess of Revenues Over (Under) Expenditures	(514)	101,278	106,234	0
Other Financing Sources (Uses):				
Transfers In	0	1,453	0	0
Total Other Financing Sources (Uses)	0	1,453	0	0
Net Change in Fund Balance	(514)	102,731	106,234	0
Fund Balance - Beginning of Year	584	(100,099)	(215,155)	2,620
Fund Balance - End of Year	\$70	\$2,632	(\$108,921)	\$2,620

Preschool Development Grant	Reducing Class Size	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$10
0	0	0	1,825,589
25,463	265,511	0	6,560,687
0	0	0	86,564
0	0	0	394,741
0	0	0	82,488
<u>25,463</u>	<u>265,511</u>	<u>0</u>	<u>8,950,079</u>
0	0	0	929,038
21,638	0	0	852,542
0	0	0	43,197
0	0	0	349,113
0	247,213	0	1,686,193
0	0	0	134,132
0	0	0	20,170
0	0	0	2,855
0	15,963	0	4,049,700
0	0	0	893,328
<u>21,638</u>	<u>263,176</u>	<u>0</u>	<u>8,960,268</u>
<u>3,825</u>	<u>2,335</u>	<u>0</u>	<u>(10,189)</u>
<u>2,945</u>	<u>7,648</u>	<u>0</u>	<u>677,464</u>
<u>2,945</u>	<u>7,648</u>	<u>0</u>	<u>677,464</u>
6,770	9,983	0	667,275
(1,399)	106	(33,281)	2,029,095
<u>\$5,371</u>	<u>\$10,089</u>	<u>(\$33,281)</u>	<u>\$2,696,370</u>

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2015

	Food Service Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$1,650,919	\$2,174,929	\$524,010
Charges for Services	301,581	397,304	95,723
Total Revenues	<u>1,952,500</u>	<u>2,572,233</u>	<u>619,733</u>
Expenditures:			
Current:			
Operation of Non-Instructional Services	<u>3,256,146</u>	<u>2,247,421</u>	<u>1,008,725</u>
Total Expenditures	<u>3,256,146</u>	<u>2,247,421</u>	<u>1,008,725</u>
Net Change in Fund Balance	(1,303,646)	324,812	1,628,458
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	<u>1,728,631</u>	<u>1,728,631</u>	<u>0</u>
Fund Balance - End of Year	<u>\$424,985</u>	<u>\$2,053,443</u>	<u>\$1,628,458</u>

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2015

	Other Grants Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Other Revenues	\$15,620	\$18,975	\$3,355
Total Revenues	15,620	18,975	3,355
Expenditures:			
Current:			
Instruction:			
Regular	13,331	10,528	2,803
Support Services:			
Pupil	3,649	2,882	767
Total Expenditures	16,980	13,410	3,570
Net Change in Fund Balance	(1,360)	5,565	6,925
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	65,346	65,346	0
Fund Balance - End of Year	\$63,986	\$70,911	\$6,925

Princeton City School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2015

	Athletic Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Tuition and Fees	\$10	\$10	\$0
Extracurricular Activities	86,520	87,078	558
Other Revenues	23,754	23,907	153
Total Revenues	110,284	110,995	711
Expenditures:			
Current:			
Extracurricular Activities	1,116,694	1,032,479	84,215
Total Expenditures	1,116,694	1,032,479	84,215
Excess of Revenues Over (Under) Expenditures	(1,006,410)	(921,484)	84,926
Other Financing Sources (Uses):			
Advances In	49,680	50,000	320
Transfers In	660,742	665,000	4,258
Total Other Financing Sources (Uses)	710,422	715,000	4,578
Net Change in Fund Balance	(295,988)	(206,484)	89,504
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	615,617	615,617	0
Fund Balance - End of Year	\$319,629	\$409,133	\$89,504

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2015

	Auxiliary Services Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$1,321,557	\$1,300,636	(\$20,921)
Total Revenues	1,321,557	1,300,636	(20,921)
Expenditures:			
Current:			
Operation of Non-Instructional Services	1,725,395	1,728,752	(3,357)
Total Expenditures	1,725,395	1,728,752	(3,357)
Net Change in Fund Balance	(403,838)	(428,116)	(24,278)
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	436,486	436,486	0
Fund Balance - End of Year	\$32,648	\$8,370	(\$24,278)

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2015

	Public Preschool Subsidy Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$244,146	\$148,435	(\$95,711)
Total Revenues	244,146	148,435	(95,711)
Expenditures:			
Current:			
Instruction:			
Regular	264,688	256,202	8,486
Total Expenditures	264,688	256,202	8,486
Net Change in Fund Balance	(20,542)	(107,767)	(87,225)
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	23,590	23,590	0
Fund Balance - End of Year	\$3,048	(\$84,177)	(\$87,225)

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2015

	Data Communication Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$18,000	\$18,000	\$0
Total Revenues	18,000	18,000	0
Expenditures:			
Current:			
Instruction:			
Regular	0	0	(0)
Total Expenditures	0	0	(0)
Net Change in Fund Balance	18,000	18,000	(0)
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	36,000	36,000	0
Fund Balance - End of Year	\$54,000	\$54,000	(\$0)

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2015

	Ohio Reads Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Instruction:			
Regular	0	0	0
Total Expenditures	0	0	0
Net Change in Fund Balance	0	0	0
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	3,121	3,121	0
Fund Balance - End of Year	\$3,121	\$3,121	\$0

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2015

	Alternative Schools Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$169,133	\$88,801	(\$80,332)
Total Revenues	<u>169,133</u>	<u>88,801</u>	<u>(80,332)</u>
Expenditures:			
Current:			
Instruction:			
Regular	3,886	1,950	1,936
Other	12,062	6,053	6,009
Support Services:			
Pupil	67,382	33,813	33,569
Instructional Staff	3,986	2,000	1,986
Total Expenditures	<u>87,316</u>	<u>43,816</u>	<u>43,500</u>
Excess of Revenues Over (Under) Expenditures	<u>81,817</u>	<u>44,985</u>	<u>(36,832)</u>
Other Financing Sources (Uses):			
Advances In	(81,899)	(43,000)	38,899
Total Other Financing Sources (Uses)	<u>(81,899)</u>	<u>(43,000)</u>	<u>38,899</u>
Net Change in Fund Balance	(82)	1,985	2,067
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	<u>98,197</u>	<u>98,197</u>	<u>0</u>
Fund Balance - End of Year	<u>\$98,115</u>	<u>\$100,182</u>	<u>\$2,067</u>

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2015

	Miscellaneous State Grants Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$85,896	\$82,116	(\$3,780)
Total Revenues	<u>85,896</u>	<u>82,116</u>	<u>(3,780)</u>
Expenditures:			
Current:			
Support Services:			
Pupil	<u>15,289</u>	<u>22,863</u>	<u>(7,574)</u>
Total Expenditures	<u>15,289</u>	<u>22,863</u>	<u>(7,574)</u>
Excess of Revenues Over (Under) Expenditures	<u>70,607</u>	<u>59,253</u>	<u>(11,354)</u>
Other Financing Sources (Uses):			
Advances (Out)	<u>(30,867)</u>	<u>(46,156)</u>	<u>(15,289)</u>
Total Other Financing Sources (Uses)	<u>(30,867)</u>	<u>(46,156)</u>	<u>(15,289)</u>
Net Change in Fund Balance	39,740	13,097	(26,643)
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	<u>12,197</u>	<u>12,197</u>	<u>0</u>
Fund Balance - End of Year	<u>\$51,937</u>	<u>\$25,294</u>	<u>(\$26,643)</u>

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2015

	Race To The Top Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$151,935	\$151,930	(\$5)
Total Revenues	<u>151,935</u>	<u>151,930</u>	<u>(5)</u>
Expenditures:			
Current:			
Support Services:			
Instructional Staff	37,649	67,933	(30,284)
Total Expenditures	<u>37,649</u>	<u>67,933</u>	<u>(30,284)</u>
Excess of Revenues Over (Under) Expenditures	<u>114,286</u>	<u>83,997</u>	<u>(30,289)</u>
Other Financing Sources (Uses):			
Advances (Out)	(46,803)	(84,452)	(37,649)
Transfers In	418	418	0
Total Other Financing Sources (Uses)	<u>(46,385)</u>	<u>(84,034)</u>	<u>(37,649)</u>
Net Change in Fund Balance	67,901	(37)	(67,938)
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	<u>3,186</u>	<u>3,186</u>	<u>0</u>
Fund Balance - End of Year	<u>\$71,087</u>	<u>\$3,149</u>	<u>(\$67,938)</u>

Princeton City School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2015

	IDEA Special Education Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$1,634,041	\$1,388,305	(\$245,736)
Total Revenues	1,634,041	1,388,305	(245,736)
Expenditures:			
Current:			
Instruction:			
Regular	1,017	915	102
Special	819,117	737,189	81,928
Other	59,268	53,340	5,928
Support Services:			
Pupil	307,673	276,900	30,773
Instructional Staff	123,153	110,835	12,318
School Administration	147,903	133,110	14,793
Pupil Transportation	3,531	3,178	353
Central	950	855	95
Operation of Non-Instructional Services	208,839	187,951	20,888
Total Expenditures	1,671,451	1,504,273	167,178
Excess of Revenues Over (Under) Expenditures	(37,410)	(115,968)	(78,558)
Other Financing Sources (Uses):			
Advances (Out)	(105,558)	(95,000)	10,558
Transfers In	38,761	32,932	(5,829)
Transfers (Out)	(36,592)	(32,932)	3,660
Total Other Financing Sources (Uses)	(103,389)	(95,000)	8,389
Net Change in Fund Balance	(140,799)	(210,968)	(70,169)
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	173,691	173,691	0
Fund Balance - End of Year	\$32,892	(\$37,277)	(\$70,169)

Princeton City School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2015

	Vocational Education Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$18,937	\$10,000	(\$8,937)
Total Revenues	18,937	10,000	(8,937)
Expenditures:			
Current:			
Instruction:			
Regular	9,750	9,750	0
Support Services:			
Pupil	10,514	10,514	0
Total Expenditures	20,264	20,264	0
Excess of Revenues Over (Under) Expenditures	(1,327)	(10,264)	(8,937)
Other Financing Sources (Uses):			
Transfers In	134	71	(63)
Transfers (Out)	(71)	(71)	0
Total Other Financing Sources (Uses)	63	0	(63)
Net Change in Fund Balance	(1,264)	(10,264)	(9,000)
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	10,335	10,335	0
Fund Balance - End of Year	\$9,071	\$71	(\$9,000)

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2015

	Title III Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$315,260	\$263,058	(\$52,202)
Total Revenues	<u>315,260</u>	<u>263,058</u>	<u>(52,202)</u>
Expenditures:			
Current:			
Instruction:			
Special	156,629	137,837	18,792
Support Services:			
Pupil	29,615	26,062	3,553
Instructional Staff	25,978	22,861	3,117
School Administration	<u>1,161</u>	<u>1,022</u>	<u>139</u>
Total Expenditures	<u>213,383</u>	<u>187,782</u>	<u>25,601</u>
Excess of Revenues Over (Under) Expenditures	<u>101,877</u>	<u>75,276</u>	<u>(26,601)</u>
Other Financing Sources (Uses):			
Advances (Out)	(184,086)	(162,000)	22,086
Transfers In	1,841	1,536	(305)
Transfers (Out)	<u>(94)</u>	<u>(83)</u>	<u>11</u>
Total Other Financing Sources (Uses)	<u>(182,339)</u>	<u>(160,547)</u>	<u>21,792</u>
Net Change in Fund Balance	(80,462)	(85,271)	(4,809)
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	<u>81,667</u>	<u>81,667</u>	<u>0</u>
Fund Balance - End of Year	<u>\$1,205</u>	<u>(\$3,604)</u>	<u>(\$4,809)</u>

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2015

	Title I Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$2,340,995	\$1,825,589	(\$515,406)
Total Revenues	<u>2,340,995</u>	<u>1,825,589</u>	<u>(515,406)</u>
Expenditures:			
Current:			
Instruction:			
Regular	802,109	679,109	123,000
Other	48,714	41,244	7,470
Support Services:			
Instructional Staff	1,459,660	1,235,828	223,832
Pupil Transportation	20,660	17,492	3,168
Operation of Non-Instructional Services	48,687	41,221	7,466
Total Expenditures	<u>2,379,830</u>	<u>2,014,894</u>	<u>364,936</u>
Excess of Revenues Over (Under) Expenditures	<u>(38,835)</u>	<u>(189,305)</u>	<u>(150,470)</u>
Other Financing Sources (Uses):			
Advances In	(25,646)	(20,000)	5,646
Transfers In	253	197	(56)
Transfers (Out)	(233)	(197)	36
Total Other Financing Sources (Uses)	<u>(25,626)</u>	<u>(20,000)</u>	<u>5,626</u>
Net Change in Fund Balance	(64,461)	(209,305)	(144,844)
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	<u>81,319</u>	<u>81,319</u>	<u>0</u>
Fund Balance - End of Year	<u>\$16,858</u>	<u>(\$127,986)</u>	<u>(\$144,844)</u>

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2015

	Drug Free School Grant Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Support Services:			
Instructional Staff	0	0	0
Total Expenditures	0	0	0
Net Change in Fund Balance	0	0	0
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	2,619	2,619	0
Fund Balance - End of Year	\$2,619	\$2,619	\$0

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2015

	Preschool Development Grant Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$28,010	\$23,463	(\$4,547)
Total Revenues	<u>28,010</u>	<u>23,463</u>	<u>(4,547)</u>
Expenditures:			
Current:			
Instruction:			
Special	29,479	22,761	6,718
Total Expenditures	<u>29,479</u>	<u>22,761</u>	<u>6,718</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,469)</u>	<u>702</u>	<u>2,171</u>
Other Financing Sources (Uses):			
Advances (Out)	(3,885)	(3,000)	885
Transfers In	3,516	2,945	(571)
Total Other Financing Sources (Uses)	<u>(369)</u>	<u>(55)</u>	<u>314</u>
Net Change in Fund Balance	(1,838)	647	2,485
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	<u>1,927</u>	<u>1,927</u>	<u>0</u>
Fund Balance - End of Year	<u>\$89</u>	<u>\$2,574</u>	<u>\$2,485</u>

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Reducing Class Size Fund Variance from Final Budget
Revenues:			
Intergovernmental	\$347,197	\$240,511	(\$106,686)
Total Revenues	<u>347,197</u>	<u>240,511</u>	<u>(106,686)</u>
Expenditures:			
Current:			
Support Services:			
Instructional Staff	334,993	253,766	81,227
Operation of Non-Instructional Services	22,604	17,123	5,481
Total Expenditures	<u>357,597</u>	<u>270,889</u>	<u>86,708</u>
Excess of Revenues Over (Under) Expenditures	<u>(10,400)</u>	<u>(30,378)</u>	<u>(19,978)</u>
Other Financing Sources (Uses):			
Advances (Out)	(89,106)	(67,500)	21,606
Transfers In	11,041	7,648	(3,393)
Total Other Financing Sources (Uses)	<u>(78,065)</u>	<u>(59,852)</u>	<u>18,213</u>
Net Change in Fund Balance	(88,465)	(90,230)	(1,765)
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	<u>88,465</u>	<u>88,465</u>	<u>0</u>
Fund Balance - End of Year	<u>\$0</u>	<u>(\$1,765)</u>	<u>(\$1,765)</u>

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2015

	Miscellaneous Federal Grants Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$22,224	\$0	(\$22,224)
Total Revenues	22,224	0	(22,224)
Expenditures:			
Current:			
Support Services:			
Operations and Maintenance	0	0	(0)
Total Expenditures	0	0	(0)
Net Change in Fund Balance	22,224	(0)	(22,224)
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	1,911	1,911	0
Fund Balance - End of Year	\$24,135	\$1,911	(\$22,224)

NONMAJOR CAPITAL PROJECTS FUND

Fund Description

Permanent Improvement - To account for all transactions related to acquisition, construction or improvement of the infrastructure of buildings and grounds through permanent improvements. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance for the Building Fund has been included in the Nonmajor Governmental Funds Combining Balance Sheet and Combining Statement of Revenues, Expenditures and Changes in Fund Balance. The Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Non-GAAP Budgetary Basis) follows this page.

Princeton City School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2015

	Permanent Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$1,044,789	\$1,613,410	\$568,621
Revenue in lieu of taxes	4,659	7,194	2,535
Investment Earnings	1	2	1
Intergovernmental	100,871	155,770	54,899
Total Revenues	<u>1,150,320</u>	<u>1,776,376</u>	<u>626,056</u>
Expenditures:			
Current:			
Instruction:			
Support Services:			
Fiscal	31,123	32,730	(1,607)
Operations and Maintenance	16,588	17,445	(857)
Central	23,335	24,540	(1,205)
Capital Outlay	951,326	1,000,457	(49,131)
Debt Service:			
Principal Retirement	301,101	316,651	(15,550)
Interest and Fiscal Charges	891,561	937,605	(46,044)
Total Expenditures	<u>2,215,034</u>	<u>2,329,428</u>	<u>(114,394)</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,064,714)</u>	<u>(553,052)</u>	<u>511,662</u>
Other Financing Sources (Uses):			
Transfers In	1,623,743	2,507,456	883,713
Total Other Financing Sources (Uses)	<u>1,623,743</u>	<u>2,507,456</u>	<u>883,713</u>
Net Change in Fund Balance	559,029	1,954,404	1,395,375
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	<u>1,697,702</u>	<u>1,697,702</u>	<u>0</u>
Fund Balance - End of Year	<u><u>\$2,256,731</u></u>	<u><u>\$3,652,106</u></u>	<u><u>\$1,395,375</u></u>

NONMAJOR PERMANENT FUND

Fund Description

Permanent Fund - The Permanent fund should be used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for the purposes that support the reporting government's programs – that is, for the benefit of the government or its citizenry. The Permanent fund does not include private-purpose trust funds, which should be used to report situations in which the government is required to use the principal or earnings for the benefit of individuals, private organizations, or other governments. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance are included in the Nonmajor Governmental Funds Combining Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance. The Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Non-GAAP Budgetary Basis) follows this page.

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2015

	Permanent Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$0	\$25	\$25
Total Revenues	0	25	25
Expenditures:			
Current:			
Operation of Non-Instructional Services	0	0	(0)
Total Expenditures	0	0	(0)
Net Change in Fund Balance	0	25	25
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	20	20	0
Fund Balance - End of Year	\$20	\$45	\$25

OTHER GENERAL FUNDS

With the implementation of GASB Statement No. 54, certain funds that the District prepares legally adopted budgets for no longer meet the definition to be reported as Special Revenue funds and have been included with the General Fund in the governmental fund financial statements. The District has only presented the budget schedules for these funds.

Fund Descriptions

Uniform School Supply - To account for the purchase and sale of school supplies as adopted by the Board of Education for use in all schools of the District.

Public School Support - To account for specific local revenue sources (other than taxes) generated by individual school buildings (i.e. sales of pictures, profits from vending machines, etc.). Expenditures include field trips, materials, equipment and other items to supplement co-curricular and extra-curricular programs.

Early Childhood - To account for preschool, extended day, and all day kindergarten operations provided to students primarily through user charges.

Underground Storage Tank - To account for local funds which are provided in the event of an underground storage tank leak.

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2015

	Uniform School Supply Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Tuition and Fees	\$10,833	\$9,623	(\$1,210)
Other Revenues	208	185	(23)
Total Revenues	<u>11,041</u>	<u>9,808</u>	<u>(1,233)</u>
Expenditures:			
Current:			
Instruction:			
Regular	42,270	24,961	17,309
Total Expenditures	<u>42,270</u>	<u>24,961</u>	<u>17,309</u>
Net Change in Fund Balance	(31,229)	(15,153)	16,076
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	<u>55,126</u>	<u>55,126</u>	<u>0</u>
Fund Balance - End of Year	<u>\$23,897</u>	<u>\$39,973</u>	<u>\$16,076</u>

(1) This fund is combined with the General fund in GAAP Statements.

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2015

	Public School Support Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Other Revenues	\$83,623	\$82,435	(\$1,188)
Total Revenues	<u>83,623</u>	<u>82,435</u>	<u>(1,188)</u>
Expenditures:			
Current:			
Instruction:			
Regular	62,549	43,117	19,432
Support Services:			
Instructional Staff	38,717	26,689	12,028
School Administration	18,383	12,672	5,711
Operations and Maintenance	94	65	29
Pupil Transportation	2,002	1,380	622
Central	725	500	225
Operation of Non-Instructional Services	492	339	153
Extracurricular Activities	2,816	1,941	875
Total Expenditures	<u>125,778</u>	<u>86,703</u>	<u>39,075</u>
Net Change in Fund Balance	(42,155)	(4,268)	37,887
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	<u>257,531</u>	<u>257,531</u>	<u>0</u>
Fund Balance - End of Year	<u>\$215,376</u>	<u>\$253,263</u>	<u>\$37,887</u>

(1) This fund is combined with the General fund in GAAP Statements.

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2015

	Early Childhood Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Tuition and Fees	\$286,493	\$244,781	(\$41,712)
Total Revenues	286,493	244,781	(41,712)
Expenditures:			
Current:			
Operation of Non-Instructional Services	103,721	15,730	87,991
Total Expenditures	103,721	15,730	87,991
Net Change in Fund Balance	182,772	229,051	46,279
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	302,614	302,614	0
Fund Balance - End of Year	\$485,386	\$531,665	\$46,279

(1) This fund is combined with the General fund in GAAP Statements.

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2015

	Underground Storage Tank Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Other Revenues	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Instruction:			
Regular	0	0	(0)
Total Expenditures	0	0	(0)
Net Change in Fund Balance	0	0	0
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	11,000	11,000	0
Fund Balance - End of Year	<u>\$11,000</u>	<u>\$11,000</u>	<u>\$0</u>

(1) This fund is combined with the General fund in GAAP Statements.

NONMAJOR FUNDS

Internal Service Funds

The Internal Service Funds are used to account for the financing of services provided by one department to other departments of the District on a cost-reimbursement basis. The following is a description of the District's non-major internal service funds.

Fund Descriptions

Employee Benefits Self Insurance - A fund used to account for monies received from other funds as payment for providing employee benefits and payments to the third party administrator for claims payment and administration.

Workers Compensation Self Insurance - A fund used to account for workers' compensation self-insurance revenues and expenses.

Princeton City School District
Combining Statement of Net Position
Internal Service Funds
June 30, 2015

	Employee Benefits	Worker's Compensation Self-Insurance	Total Internal Service Funds
Assets:			
Equity in Pooled Cash and Investments	\$4,302,607	\$1,454,267	\$5,756,874
Receivables (Net):			
Accounts	79,792	0	79,792
Total Assets	<u>4,382,399</u>	<u>1,454,267</u>	<u>5,836,666</u>
Liabilities:			
Current Liabilities:			
Accounts Payable	700	0	700
Interfund Payable	0	2,316,763	2,316,763
Claims Payable	509,077	15,935	525,012
Total Liabilities	<u>509,777</u>	<u>2,332,698</u>	<u>2,842,475</u>
Net Position:			
Unrestricted	<u>3,872,622</u>	<u>(878,431)</u>	<u>2,994,191</u>
Total Net Position	<u>\$3,872,622</u>	<u>(\$878,431)</u>	<u>\$2,994,191</u>

Princeton City School District
Combining Statement of Revenues, Expenses
and Changes in Fund Net Position
Internal Service Funds
For the Fiscal Year Ended June 30, 2015

	Employee Benefits	Worker's Compensation Self-Insurance	Total Internal Service Funds
Operating Revenues:			
Charges for Services	\$8,327,233	\$167,933	\$8,495,166
Total Operating Revenues	8,327,233	167,933	8,495,166
Operating Expenses:			
Contactual Services	895,986	225,683	1,121,669
Claims	6,376,217	113,717	6,489,934
Other Expenses	967,725	344,550	1,312,275
Total Operating Expenses	8,239,928	683,950	8,923,878
Operating Income (Loss)	87,305	(516,017)	(428,712)
Non-Operating Revenues (Expenses):			
Interest (Expense)	42	0	42
Total Non-Operating Revenues (Expenses)	42	0	42
Income (Loss) Before Contributions and Transfers	87,347	(516,017)	(428,670)
Change in Net Position	87,347	(516,017)	(428,670)
Net Position - Beginning of Year	3,785,275	(362,414)	3,422,861
Net Position - End of Year	\$3,872,622	(\$878,431)	\$2,994,191

Princeton City School District
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2015

	Employee Benefits	Worker's Compensation Self-Insurance	Total Internal Service Funds
Cash Flows from Operating Activities:			
Cash Received from Customers	\$8,428,127	\$167,933	\$8,596,060
Cash Payments to Suppliers	<u>(8,100,049)</u>	<u>(685,400)</u>	<u>(8,785,449)</u>
Net Cash Provided (Used) by Operating Activities	<u>328,078</u>	<u>(517,467)</u>	<u>(189,389)</u>
Cash Flows from Capital and Related Financing Activities:			
Debt Interest Payments	<u>42</u>	<u>0</u>	<u>42</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>42</u>	<u>0</u>	<u>42</u>
Net Increase (Decrease) in Cash and Cash Equivalents	328,120	(517,467)	(189,347)
Cash and Cash Equivalents - Beginning of Year	<u>3,974,487</u>	<u>1,971,734</u>	<u>5,946,221</u>
Cash and Cash Equivalents - End of Year	<u>4,302,607</u>	<u>1,454,267</u>	<u>5,756,874</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Operating Income (Loss)	87,305	(516,017)	(428,712)
Changes in Assets & Liabilities:			
(Increase) Decrease in Receivables	100,894	0	100,894
Increase (Decrease) in Payables	700	(4,619)	(3,919)
Increase (Decrease) in Claims Payables	<u>139,179</u>	<u>3,169</u>	<u>142,348</u>
Net Cash Provided (Used) by Operating Activities	<u>\$328,078</u>	<u>(\$517,467)</u>	<u>(\$189,389)</u>

NONMAJOR FUND

Fiduciary fund

Fiduciary fund types are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governmental unites and/or other funds.

Student Managed Activity (Agency Fund) – Fund used to account for resources that belong to various student groups in the District. Students are involved in the management of the program.

Princeton City School District
Statement of Changes In Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2015

	Student Managed Activity			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$149,490	\$113,854	\$97,101	\$166,243
Receivables (Net):				
Accounts	2,555	203	2,555	203
Total Assets	152,045	114,057	99,656	166,446
Liabilities:				
Accounts Payable	669	3,240	669	3,240
Other Liabilities	151,376	110,817	98,987	163,206
Total Liabilities	\$152,045	\$114,057	\$99,656	\$166,446

STATISTICAL SECTION



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STATISTICAL SECTION

This part of the District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

CONTENTS

FINANCIAL TRENDS: These schedules contain trend information to help the reader understand how the District's financial position has changed over time.

REVENUE CAPACITY: These schedules contain information to help the reader understand and assess the factors affecting the School District's ability to generate its most significant local revenue source(s), the property tax.

DEBT CAPACITY: These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the School District's ability to issue additional debt in the future.

ECONOMIC AND DEMOGRAPHIC INFORMATION: These schedules offer economic and demographic indicators to help the reader understand the environment within which the School District's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.

OPERATING INFORMATION: These schedules contain service and infrastructure data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs.

SOURCES: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

Princeton City School District, Ohio
 Net Position by Component
 Last Ten Fiscal Years
 (accrual basis of accounting)
 Schedule 1

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental Activities										
Net Investment in Capital Assets	\$11,365,292	\$12,177,021	\$18,917,661	\$16,185,254	\$11,939,134	\$12,349,072	\$1,231,465	\$1,346,980	\$7,255,387	(\$618,311)
Restricted	8,181,478	9,790,620	8,748,433	6,347,424	7,958,748	4,461,165	9,946,127	12,121,084	12,486,156	20,777,163
Unrestricted	35,398,152	42,188,268	33,560,467	32,529,521	26,567,919	24,350,261	19,356,922	20,911,787	31,173,848	(65,992,418)
Total Governmental Net Position	\$54,944,922	\$64,155,909	\$61,226,561	\$55,062,199	\$46,465,801	\$41,160,498	\$30,534,514	\$34,379,851	\$50,915,391	(\$45,833,566)

Source: District Records

Princeton City School District, Ohio
 Expenses, Program Revenues and Net (Expense)/Revenue
 Last Ten Fiscal Years
 (accrual basis of accounting)
 Schedule 2

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental Activities:										
Instruction	\$40,212,240	\$39,868,642	\$41,092,546	\$43,259,277	\$45,105,572	\$43,949,741	\$46,957,499	\$49,289,509	\$42,489,229	\$47,048,759
Pupil	4,742,701	4,853,378	4,362,878	4,973,405	5,176,839	4,838,552	4,135,169	4,303,537	4,264,176	3,945,463
Instructional Staff	5,991,323	6,104,382	5,860,843	6,930,120	7,268,709	7,408,565	7,301,286	2,134,313	2,893,298	3,026,545
General Administration	382,312	356,891	271,234	288,917	417,868	358,720	224,251	222,072	226,937	364,132
School Administration	5,961,291	6,148,062	6,515,014	8,292,485	7,747,880	3,666,881	5,901,904	5,932,219	5,311,998	4,723,722
Fiscal	2,266,379	2,582,803	2,945,291	2,455,576	2,433,305	2,616,425	2,021,731	2,093,683	1,437,394	1,633,180
Business	551,136	739,910	554,545	526,099	363,532	214,352	181,585	219,646	118,180	67,301
Operation and Maintenance	7,698,335	7,940,072	7,864,438	7,931,346	8,100,618	8,022,850	7,112,340	7,404,673	7,191,825	7,322,086
Pupil Transportation	3,795,527	4,996,401	5,159,594	4,839,807	4,943,041	5,133,648	4,838,681	5,556,446	4,622,493	4,960,671
Central	1,551,154	1,751,732	1,711,621	1,552,170	934,365	1,485,580	1,428,593	936,744	1,168,493	1,046,084
Operation of Non-Instructional Services	6,575,065	5,908,064	4,063,597	5,341,611	5,331,918	5,406,734	4,271,955	4,053,667	3,331,906	4,200,043
Extracurricular Activities	0	0	1,461,925	1,697,938	1,650,476	1,508,941	1,151,974	1,263,001	1,166,289	1,233,773
Interest and Fiscal Charges	4,021,596	3,412,151	3,727,692	3,557,493	3,592,012	10,093,624	11,417,579	12,167,816	12,599,961	10,931,904
Bond Issuance Cost	0	0	0	0	0	0	0	0	0	662,514
Total Governmental Activities Expenses	83,749,059	84,662,508	85,591,218	91,646,244	93,066,135	94,704,613	96,944,547	95,577,326	86,822,179	91,166,177
Program Revenues										
Governmental Activities:										
Charges for Services and Sales										
Instruction	1,740,329	716,783	554,079	1,632,505	1,534,119	1,556,734	5,453,093	4,934,196	4,133,248	2,033,190
Pupil	0	0	878	0	0	0	0	0	0	0
School Administration	0	0	8,618	0	0	0	0	0	0	0
Business	0	0	0	0	0	0	0	59,058	0	0
Operations and Maintenance	0	0	33,063	0	0	0	57,127	0	60,096	32,951
Pupil Transportation	0	0	20,862	0	0	0	0	0	0	0
Central	0	0	113	0	0	0	423	159	0	0
Operation of Non-Instructional Services	1,374,455	1,525,353	2,263,580	700,415	534,270	467,866	591,920	523,624	361,204	394,741
Extracurricular Activities	128,062	132,597	132,535	141,034	121,412	131,184	126,198	105,600	179,472	184,868
Food Service	998,984	994,316	0	822,040	823,267	682,191	0	0	0	0
Operating Grants and Contributions	5,669,450	5,798,481	6,008,920	7,246,048	8,356,788	10,743,225	8,586,992	7,828,636	9,213,891	8,514,442
Capital Grants and Contributions	1,634	45,197	26,979	50,165	0	0	0	0	0	0
Total Governmental Activities Program Revenues	9,912,914	9,212,727	9,049,627	10,592,207	11,369,856	13,581,200	14,815,753	13,451,273	13,947,911	10,960,192
Net (Expense)/Revenue	(\$73,836,145)	(\$75,449,781)	(\$76,541,591)	(\$81,054,037)	(\$81,696,279)	(\$81,123,413)	(\$82,128,794)	(\$82,126,053)	(\$72,874,268)	(\$80,205,985)

Source: District Records

Princeton City School District, Ohio
 General Revenues and Total Change in Net Position
 Last Ten Fiscal Years
 (accrual basis of accounting)
 Schedule 3

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Net (Expense)/Revenue										
Total Government Net Expense	(\$73,836,145)	(\$75,449,781)	(\$76,541,591)	(\$81,054,037)	(\$81,696,279)	(\$81,123,413)	(\$82,128,794)	(\$82,126,053)	(\$72,874,268)	(\$80,205,985)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes	65,600,762	66,930,812	50,230,088	51,717,675	45,314,998	45,487,235	42,437,792	57,539,338	62,939,584	59,715,785
Grants and Entitlements Not Restricted	10,566,991	14,367,565	18,864,593	23,242,456	26,779,285	27,489,047	27,503,063	26,600,918	26,859,702	24,383,897
Payment in Lieu of Taxes	0	0	556,594	0	0	0	318,935	294,599	0	0
Unrestricted Contributions	0	0	16,050	0	0	0	51,695	54,317	66,434	56,269
Revenue in Lieu of Taxes	0	0	0	0	0	0	0	0	874,948	851,862
Investment Earnings	3,321,120	2,846,626	1,996,557	1,021,262	116,100	1,603,978	724,883	353,627	(65,250)	2,240,446
Gain on Sale of Capital Assets	7,667	0	0	0	0	0	0	0	0	0
Refunds and Reimbursements	0	0	0	0	0	0	0	0	0	0
Other Revenues	1,478,996	1,202,956	522,171	1,399,776	889,498	1,237,850	466,442	1,128,591	516,796	661,823
Total Governmental Activities	80,975,536	85,347,959	72,186,053	77,381,169	73,099,881	75,818,110	71,502,810	85,971,390	91,192,214	483,834
Change in Net Position	\$7,139,391	\$9,898,178	(\$4,355,538)	(\$3,672,868)	(\$8,596,398)	(\$5,305,303)	(\$10,625,984)	\$3,845,337	\$18,317,946	\$8,187,931

Source: District Records

Princeton City School District, Ohio
 Governmental Funds - Fund Balances
 Last Ten Fiscal Years
 (modified accrual basis of accounting)
 Schedule 4

	Fiscal Year									
	2006	2007	2008	2009	2010	2011 (1)	2012	2013	2014	2015
General Fund										
Reserved	\$20,329,900	\$22,608,842	\$15,660,766	\$16,733,995	\$15,232,447	\$0	\$0	\$0	\$0	\$0
Unreserved	12,294,817	17,131,871	20,297,623	17,804,570	7,223,096	0	0	0	0	0
Nonspendable						70,088	0	0	0	0
Restricted						212,907	212,907	212,907	212,907	212,907
Committed						11,000	11,000	11,000	11,000	11,000
Assigned						1,762,134	1,665,971	2,502,626	2,112,106	2,003,017
Unassigned						17,279,293	14,513,410	14,662,671	26,915,128	35,946,883
Total General Fund	32,624,717	39,740,713	35,958,389	34,538,565	22,455,543	19,335,422	16,403,288	17,389,204	29,251,141	38,173,807
All Other Governmental Funds										
Reserved	21,325,576	10,052,289	3,264,264	2,831,215	2,041,047	0	0	0	0	0
Unreserved, Reported in:										
Capital Project Funds	12,899,423	(4,162,519)	(4,532,481)	(3,603,579)	6,429	0	0	0	0	0
Debt Service Funds	1,506,864	2,642,748	2,674,898	2,746,506	2,983,861	0	0	0	0	0
Special Revenue Funds	1,092,426	249,319	2,396,335	749,842	770,823	0	0	0	0	0
Permanent Funds	0	19,490	27,805	20,420	19,386	0	0	0	0	0
Nonspendable						305,097	31,428	18,830	19	44
Restricted						125,923,822	120,497,590	63,586,311	36,926,583	26,827,458
Unassigned						(845,338)	(23,989)	(626,832)	(660,949)	(291,955)
Total all Other Governmental Funds	\$36,824,289	\$8,801,327	\$3,830,821	\$2,744,404	\$5,821,546	\$125,383,581	\$120,505,029	\$62,978,309	\$36,265,653	\$26,535,547

Source: District Records

(1) - Prior year amounts have not been restated for the implementation of GASB Statement 54. The change in the classification of fund balance amounts are discussed in the Notes to the Financial Statements.

Princeton City School District, Ohio
 Governmental Funds - Revenues
 Last Ten Fiscal Years
 (modified accrual basis of accounting)
 Schedule 5

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues:										
Taxes	\$62,512,646	\$67,624,833	\$52,786,846	\$50,200,683	\$44,164,544	\$45,225,898	\$45,001,017	\$57,396,548	\$60,924,490	\$61,961,388
Revenue in Lieu of Taxes	0	0	0	0	0	0	204,696	266,425	874,948	851,862
Tuition and Fees	1,774,304	751,060	1,018,668	1,639,115	1,539,478	1,570,137	5,447,149	4,917,204	4,126,669	2,022,690
Investment Earnings	3,448,933	2,862,617	2,020,746	1,028,715	116,602	1,603,104	647,201	490,367	(101,361)	2,262,953
Intergovernmental	14,864,188	18,646,683	24,846,527	30,314,195	34,438,786	38,060,361	36,018,462	33,768,487	35,927,474	33,717,788
Extracurricular Activities	0	0	0	0	0	0	124,859	105,584	177,907	184,858
Charges for Services	0	0	1,947,885	1,772,493	1,598,430	1,382,156	596,983	540,509	417,306	395,291
Other Revenues	1,573,083	1,437,376	1,062,672	1,276,150	788,858	1,121,294	643,797	523,926	595,369	583,013
Total Revenues	\$84,173,154	\$91,322,569	\$83,683,344	\$86,231,351	\$82,646,698	\$88,962,950	\$88,684,164	\$98,009,050	\$102,942,802	\$101,979,843

Source: District Records

Princeton City School District, Ohio
 Governmental Funds - Expenditures and Debt Service Ratio
 Last Ten Fiscal Years
 (modified accrual basis of accounting)
 Schedule 6

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Instruction	\$39,927,716	\$40,348,425	\$40,455,868	\$40,898,687	\$43,216,250	\$41,325,970	\$42,349,983	\$47,526,439	\$43,801,814	\$42,304,942
Pupil	4,883,938	4,913,808	4,451,245	4,933,419	5,146,093	4,879,958	4,113,558	4,292,060	4,308,172	4,043,653
Instructional Staff	6,172,017	6,068,675	5,797,624	6,777,010	7,200,116	7,288,612	6,979,434	2,202,967	2,867,210	3,072,770
General Administration	382,312	356,891	271,234	288,917	417,868	358,720	224,251	222,072	226,937	365,756
School Administration	6,007,403	5,990,165	6,217,725	6,009,337	6,669,776	5,999,568	5,934,410	5,894,558	5,298,769	4,946,962
Fiscal	2,335,416	2,581,376	2,945,291	2,395,328	2,436,579	2,342,938	2,026,008	2,083,024	1,434,580	1,620,895
Business	537,136	968,888	564,917	501,599	381,051	249,815	185,583	215,765	131,485	63,650
Operations and Maintenance	8,004,633	7,970,663	7,951,463	7,916,363	8,552,724	7,934,426	7,072,906	7,391,505	7,203,914	7,436,467
Pupil Transportation	4,297,383	4,237,681	4,466,487	4,522,788	5,829,450	4,756,146	4,482,907	5,299,350	4,435,273	4,781,683
Central	1,593,224	1,689,775	1,646,156	1,479,786	907,802	1,153,797	1,427,616	927,910	1,135,063	1,080,578
Operation of Non-Instructional Services	1,281,840	1,576,233	4,056,406	5,282,104	5,377,052	5,408,244	4,175,626	3,950,224	3,291,183	4,203,855
Extracurricular Activities	1,461,272	1,356,518	1,402,027	1,575,728	1,596,892	1,491,800	1,079,342	1,190,368	1,093,656	1,194,933
Capital Outlay	44,564,267	28,784,849	7,296,149	243,766	151,663	8,200,649	18,814,067	62,972,645	27,260,119	16,513,562
Debt Service:										
Principal Retirement	2,113,811	1,963,000	2,359,000	1,821,000	1,285,000	1,566,517	1,642,570	1,891,348	3,841,363	108,145,203
Interest and Fiscal Charges	4,070,993	3,640,237	3,737,224	3,668,790	3,681,776	9,597,684	10,931,934	11,355,573	11,463,983	11,227,453
Bond Issuance Costs	0	788,041	0	0	0	1,223,069	236,004	0	0	662,514
Total Expenditures	\$127,633,361	\$113,235,225	\$93,618,816	\$88,314,622	\$92,850,092	\$103,777,913	\$111,676,199	\$157,415,808	\$117,793,521	\$211,664,876
Debt Service as a Percentage of Noncapital Expenditures	7.84%	6.76%	7.11%	6.23%	5.51%	11.69%	13.54%	14.01%	17.24%	65.35%

Source: District Records

Princeton City School District, Ohio
 Governmental Funds - Other Financing Sources and Uses and Net Change in Fund Balances
 Last Ten Fiscal Years
 (modified accrual basis of accounting)
 Schedule 7

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Other Financing Sources (Uses)										
Issuance of Loans	\$0	\$0	\$0	\$0	\$3,628,000	\$0	\$0	\$0	\$0	\$0
Payments to Refunded Bond Escrow Agent	0	(75,458,718)	0	0	0	0	0	0	0	0
Issuance of Refunding Bonds	0	70,840,000	0	0	0	0	0	0	0	98,115,000
Refunding Bond Premium	0	5,406,759	0	0	0	0	0	0	0	0
Proceeds from Sale of Capital Assets	7,667	0	54,486	77,030	69,514	0	48,348	736,784	0	1,167,376
Inception of Capital Leases	0	0	0	0	0	509,975	0	0	0	0
Premium on Bonds and Notes Issued	0	0	0	0	0	10,746,972	145,998	127,670	0	9,595,217
Issuance of Bonds	0	0	0	0	0	119,999,930	0	645,000	0	0
Issuance of Certificate of Participation	0	0	0	0	0	0	15,225,000	2,300,000	0	0
Discount on Certificate of Participation	0	0	0	0	0	0	(237,997)	0	0	0
Transfers In	1,775,110	2,644,918	2,080,616	1,402,458	1,839,536	11,493,131	1,141,801	2,164,261	1,320,805	133,545,348
Transfers (Out)	(1,775,110)	(2,699,794)	(2,080,616)	(1,902,458)	(4,339,536)	(11,493,131)	(1,141,801)	(3,107,761)	(1,320,805)	(133,545,348)
Total Other Financing Sources (Uses)	7,667	733,165	54,486	(422,970)	1,197,514	131,256,877	15,181,349	2,865,954	0	108,877,593
Net Change in Fund Balances	(\$43,452,540)	(\$21,179,491)	(\$9,880,986)	(\$2,506,241)	(\$9,005,880)	\$116,441,914	(\$7,810,686)	(\$56,540,804)	(\$14,850,719)	(\$807,440)

Source: District Records

Princeton City School District, Ohio
 Assessed Value and Actual Value of Taxable Property
 Last Ten Calendar Years (1)
 Schedule 8

Calendar Year	Real Property	Tangible Personal Property	Public Utilities Personal	Total Assessed	Total Estimated	Total Direct
	Assessed Value (2)	Assessed Value (2)	Assessed Value (2)	Value	Actual Value	Rate
2005	\$1,560,927,220	\$384,837,640	\$68,330,650	\$2,014,095,510	\$5,754,558,600	49.03
2006	1,565,323,230	208,144,506	59,406,820	1,832,874,556	5,236,784,446	49.03
2007(3)	1,462,254,440	101,686,690	40,902,420	1,604,843,550	4,585,267,286	49.03
2008	1,633,409,420	114,507,988	43,420,600	1,791,338,008	5,118,108,594	48.89
2009	1,620,811,910	17,853,270	48,392,540	1,687,057,720	4,820,164,914	48.89
2010	1,554,771,440	5,517,290	58,044,658	1,618,333,388	4,623,809,680	50.48
2011	1,449,563,270	0	52,029,740	1,501,593,010	4,290,265,743	50.83
2012	1,432,182,830	0	76,712,050	1,508,894,880	4,311,128,229	61.28
2013	1,415,476,540	0	78,641,030	1,494,117,570	4,268,907,343	61.28
2014	1,392,604,800	0	72,631,790	1,465,236,590	4,186,390,257	62.58

Source: Hamilton County, Butler County and Warren County Auditor

(1) - 2004 through 2005 does not include information for Warren County.

(2) - Assessed values shown in this schedule will not agree to amounts in the notes to the financial statements, since the schedules are shown on a calendar year basis, which is consistent with the method county auditors maintain this information

(3) - Information for Warren County not available

Note: The assessed value of real property (including public utility real property) is 35 percent of estimated true value. Personal property tax is assessed on all tangible personal property used in business in Ohio. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property is assessed at 25 percent for everything except inventories, which are assessed at 23 percent. Property is assessed annually.

The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue to be received in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by the 10 percent, 2 1/2 percent and homestead exemptions before being billed.

Princeton City School District, Ohio
 Direct and Overlapping Property Tax Rates
 Last Ten Calendar Years
 Schedule 9

Calendar Year	District Direct Rates	Hamilton County	City of Blue Ash	City of Springdale	Village of Evendale	Village of Glendale	Overlapping Rates					Great Oaks Joint Vocational School
							Village of Lincoln Heights	Village of Woodlawn	Springfield Township	Sycamore Township	Joint Vocational School	
2005	49.03	20.81	3.08	3.08	0.00	21.39	28.33	5.08	20.30	7.75	2.70	
2006	49.03	20.18	3.08	3.08	0.00	21.18	28.33	5.08	20.30	8.75	2.70	
2007	49.03	20.18	3.08	3.08	0.00	21.18	28.33	5.08	20.30	8.75	2.70	
2008	48.99	20.63	3.08	3.08	0.00	20.08	35.33	5.08	22.80	8.75	2.70	
2009	48.99	20.48	3.08	3.08	0.00	20.08	35.33	5.08	22.80	8.75	2.70	
2010	50.48	19.45	3.08	3.08	0.00	20.08	39.33	5.08	22.80	8.75	2.70	
2011	50.83	19.03	3.08	3.08	0.00	20.08	40.73	5.08	22.80	8.75	2.70	
2012	61.28	19.03	3.08	3.08	0.00	21.58	48.73	5.08	23.80	8.75	2.70	
2013	61.28	19.03	3.08	3.08	0.00	21.58	48.73	5.08	23.80	8.75	2.70	
2014	62.58	18.85	3.08	3.08	0.00	21.58	48.73	10.08	23.80	8.75	2.70	

Source: Hamilton County Auditor

Note: Rates may only be raised by obtaining the approval of a majority of the voters at a public election.

(1) - Components of the District direct rate are unavailable and will be shown in total only.

Princeton City School District, Ohio
Principal Property Tax Payers
Current Calendar Year and Nine Years Ago
Schedule 10

Taxpayer	2014	
	Assessed Value	Percentage of Total Assessed Value
Duke Energy	\$59,629,770	4.07%
Tri-County Mall LLC	16,642,480	1.14%
Duke Energy	13,571,260	0.93%
LSREF2 Oreo Direct LLC	8,496,260	0.58%
Kemper Apartments Ltd	7,785,560	0.53%
WOP Mallard Lakes LLC	6,742,810	0.46%
General Western Highland Co.	6,655,230	0.45%
Springdale-Kemper Re LLC	6,422,220	0.44%
Procter & Gamble Co.	5,785,030	0.39%
Pines Apartments LTD	5,736,330	0.39%
Total Principal Taxpayers	137,466,950	9.39%
All Other Taxpayers	1,327,769,640	90.61%
Total Taxpayers	\$1,465,236,590	100.00%

Taxpayer	2005	
	Assessed Value	Percentage of Total Assessed Value
General Electric	\$78,268,480	3.89%
Concordia Properties, LLC	52,585,110	2.61%
Ford Motor Company	51,640,040	2.56%
Cinergy	48,297,440	2.40%
Procter & Gamble	28,265,060	1.40%
Cincinnati Bell	18,668,550	0.93%
Duke Realty	15,924,870	0.79%
WHPHC Real Estate	14,540,210	0.72%
Quantum Chemical	12,456,070	0.62%
Kroger Company	11,334,250	0.57%
Total Principal Taxpayers	331,980,080	16.48%
All Other Taxpayers	1,682,115,430	83.52%
Total Taxpayers	\$2,014,095,510	100.00%

Source: Hamilton County Auditor (Information for Butler and Warren Counties is not reported since they represent a minor portion of the total tax collections)

Princeton City School District, Ohio
Property Tax Levies and Collections
Last Ten Calendar Years
Schedule 11

Calendar Year	Taxes Levied for the Calendar Year	Collected within the Calendar Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2005	\$45,038,152	\$42,953,593	95.37%	\$1,249,715	\$44,203,308	98.15%
2006	45,856,077	43,492,919	94.85%	2,055,694	45,548,613	99.33%
2007	52,390,155	49,642,615	94.76%	393,460	50,036,075	95.51%
2008	54,042,097	48,370,357	89.50%	2,925,215	51,295,572	94.92%
2009	42,285,210	40,015,262	94.63%	1,337,248	41,352,510	97.79%
2010	45,148,878	42,920,852	95.07%	1,647,379	44,568,231	98.71%
2011	47,240,712	42,281,133	89.50%	1,992,615	44,273,748	93.72%
2012	63,099,261	58,120,642	92.11%	1,615,442	59,736,084	94.67%
2013	65,405,130	60,194,697	92.03%	1,652,853	61,847,550	94.56%
2014	59,851,889	57,919,262	96.77%	2,240,675	60,159,937	100.51%

Source: Hamilton County Auditor (Information for Butler and Warren Counties is not reported since they represent a minor portion of the total tax collections)

Princeton City School District, Ohio
 Outstanding Debt by Type
 Last Ten Fiscal Years
 Schedule 12

Fiscal Year	Governmental Activities				Debt Service Fund Balance	General Bonded Debt Outstanding Net General Obligation Bonds	Percentage of Personal Income (1)	Per Capita	Ratio of General Bonded Debt to Estimated Actual Value (2)
	General Obligation Bonds	OASBO Loan	Capital Leases	Debt					
2006	\$85,341,875	\$0	\$1,048,000	\$3,455,864	\$81,886,011	1.23%	\$821.80	1.42%	
2007	83,740,220	0	595,000	4,389,748	79,350,472	1.13%	761.55	1.57%	
2008	81,710,544	0	126,000	4,197,508	77,513,036	1.33%	772.14	1.75%	
2009	79,875,868	0	0	4,310,806	75,565,062	1.29%	775.01	1.53%	
2010	78,451,192	3,628,000	0	4,488,961	73,962,231	0.92%	689.77	1.58%	
2011	207,984,994	3,506,000	425,458	10,638,613	197,346,381	2.96%	2,047.52	4.32%	
2012	221,948,219	3,385,000	328,888	6,479,654	215,468,565	2.35%	1,786.87	5.08%	
2013	224,079,958	3,260,000	227,540	6,837,072	217,242,886	2.29%	1,701.48	5.04%	
2014	223,551,220	3,130,000	121,177	6,420,463	217,130,757	2.23%	1,670.55	5.09%	
2015	213,787,422	2,995,000	9,548	8,574,116	205,213,306	N/A	N/A	4.90%	

Source: District Records

(1) - On the calendar year basis

(2) - Assessed values are on a calendar year basis (i.e. fiscal year 2015 is calendar year 2014)

Princeton City School District, Ohio
 Direct and Overlapping Governmental Activities Debt -- All Counties
 As of June 30, 2015
 Schedule 13

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Direct and Overlapping Debt
Counties:			
Butler County	\$51,823,110	1.33%	\$689,247
Hamilton County	89,965,000	7.35%	6,612,428
Warren County	2,000,000	0.42%	8,400
Cities:			
Sharonville City	1,250,000	99.98%	1,249,750
Villages:			
Woodlawn Village	4,445,000	100.00%	4,445,000
Townships:			
Deerfield Township	7,064,000	2.36%	166,710
Springfield Township	9,515,000	1.41%	134,162
Sycamore Township	18,875,000	25.92%	4,892,400
West Chester Township	46,390,000	2.95%	1,368,505
School Districts:			
Great Oaks Career Center Jt. Voc. School District	12,985,000	8.04%	1,043,994
Subtotal Overlapping Debt	\$244,312,110		\$20,610,596
Princeton CSD Direct Debt	<u>\$216,791,970</u>	100.00%	<u>\$216,791,970</u>
Total Direct and Overlapping Debt	<u>\$461,104,080</u>		<u>\$237,402,566</u>

(1) - Percentages were determined by dividing the assessed valuation of the overlapping government located with the boundaries of the School District by the total assessed valuation of the government.

Source: Ohio Municipal Advisory Council

	Legal Debt Margin Calculation for Fiscal Year 2015									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt limit	\$181,268,596	\$164,958,710	\$144,435,920	\$161,220,421	\$151,835,195	\$145,650,005	\$135,143,371	\$135,800,539	\$134,470,581	\$131,871,293
Total net debt applicable to limit	86,848,739	89,109,903	81,644,141	82,370,723	80,830,007	210,247,769	194,554,930	229,596,747	226,802,397	216,791,970
Legal debt margin	\$94,419,857	\$75,848,807	\$62,791,779	\$78,849,698	\$71,005,188	(\$64,597,764)	(\$59,411,559)	(\$93,796,208)	(\$92,331,816)	(\$84,920,677)
Total net debt applicable to the limit as a percentage of debt limit	47.91%	54.02%	56.53%	51.09%	53.24%	144.35%	143.96%	169.07%	168.66%	164.40%

Assessed value (1)	\$1,465,236,590
Debt limit (9% of assessed value)	131,871,293
Debt applicable to limit	216,791,970
Legal debt margin (2)	(\$84,920,677)

Source: District Records

(1) --Assessed values are on a calendar year basis (i.e. fiscal year 2014 is calendar year 2013)

(2) --The District has obtained a consent of the State Tax Commissioner and the Superintendent of Public Instruction to issue debt beyond the nine percent debt limitation and has qualified as a "special needs" district.

Princeton City School District, Ohio
 Demographic and Economic Statistics -- Butler County
 Last Ten Calendar Years
 Schedule 15

Calendar Year	Population (1)	Personal Income (Thousands of Dollars) (2)	Per Capita Personal Income (3)	Unemployment Rate (4)
2005	348,655	\$11,080,584	\$31,662	5.2%
2006	353,386	11,707,628	33,130	5.6%
2007	357,888	8,877,054	24,804	5.1%
2008	353,895	8,576,645	24,235	6.5%
2009	363,184	13,045,932	35,921	9.4%
2010	368,130	9,381,425	25,484	9.6%
2011	369,999	13,538,158	36,590	8.6%
2012	370,589	14,398,043	38,852	7.1%
2013	371,272	14,592,549	39,304	6.9%
2014	N/A	N/A	N/A	5.4%

- Sources:
- (1) - Population estimates provided by U.S. Census Bureau for Butler County
 - (2) - Personal Income information provided by Bureau of Economic Analysis: Regional Economic Accounts for Butler County
 - (3) - Per Capita Personal Income information provided by Bureau of Economic Analysis: Regional Economic Accounts for Butler County
 - (4) - Ohio Department of Job and Family Services - Office of Workforce Development - Bureau of Labor Market Information -- Annual Average

N/A - Information not available.

Princeton City School District, Ohio
 Demographic and Economic Statistics -- Hamilton County
 Last Ten Calendar Years
 Schedule 15

Calendar Year	Population (1)	Personal Income (Thousands of Dollars) (2)	Per Capita Personal Income (3)	Unemployment Rate (4)
2005	806,652	\$33,087,346	\$39,937	5.7%
2006	822,596	35,146,091	41,477	5.0%
2007	842,369	36,488,577	43,317	5.0%
2008	845,303	34,626,992	40,964	5.6%
2009	855,062	37,552,613	43,918	8.9%
2010	802,374	27,317,612	46,509	9.4%
2011	800,362	37,522,065	46,881	8.0%
2012	802,038	39,631,501	49,413	7.0%
2013	804,520	40,415,100	50,235	7.1%
2014	N/A	N/A	N/A	5.3%

- Sources:
- (1) - Population estimates provided by U.S. Census Bureau for Hamilton County
 - (2) - Personal Income information provided by Bureau of Economic Analysis: Regional Economic Accounts for Hamilton County
 - (3) - Per Capita Personal Income information provided by Bureau of Economic Analysis: Regional Economic Accounts for Hamilton County
 - (4) - Ohio Department of Job and Family Services - Office of Workforce Development Bureau of Labor Market Information -- Annual Average

N/A - Information not available.

Princeton City School District, Ohio
 Demographic and Economic Statistics -- Warren County
 Last Ten Calendar Years
 Schedule 15

Calendar Year	Population (1)	Personal Income (Thousands of Dollars) (2)	Per Capita Personal Income (3)	Unemployment Rate (4)
2005	196,793	\$6,597,227	\$33,524	4.4%
2006	201,871	7,211,608	36,134	4.9%
2007	204,390	5,997,172	37,865	4.6%
2008	204,390	5,997,172	37,865	5.5%
2009	210,712	8,250,639	39,156	8.8%
2010	212,693	6,701,106	31,506	8.9%
2011	214,910	9,202,095	42,818	7.6%
2012	217,241	9,880,531	45,482	6.3%
2013	219,169	10,131,284	46,226	6.3%
2014	N/A	N/A	N/A	4.8%

- Sources:
- (1) - Population estimates provided by U.S. Census Bureau for Warren County
 - (2) - Personal Income information provided by Bureau of Economic Analysis: Regional Economic Accounts for Warren County
 - (3) - Per Capita Personal Income information provided by Bureau of Economic Analysis: Regional Economic Accounts for Warren County
 - (4) - Ohio Department of Job and Family Services - Office of Workforce Development - Bureau of Labor Market Information -- Annual Average

N/A - Information not available.

Princeton City School District, Ohio
 Major Employers -- Butler County (1)
 Current Fiscal Year and Fiscal Period Six Years Ago (2)
 Schedule 16

2015			
Major Employer (3)	Type	Number of Employees	Employer's Percentage of Total Employment
AK Steel Holding Corp	Mfg	(4)	(5)
Butler County Government	Govt	(4)	(5)
Cincinnati Financial Corp	Ins	(4)	(5)
Cornerstone Brands Inc	Trade	(4)	(5)
Ft Hamilton Memorial Hospital	Serv	(4)	(5)
GE Aviation	Mfg	(4)	(5)
Hamilton City Schools	Govt	(4)	(5)
Lakota Local Schools	Govt	(4)	(5)
Liberty Mutual/Ohio Casualty Corp	Ins	(4)	(5)
Mercy Regional Hospital	Serv	(4)	(5)
Miami University	Govt	(4)	(5)
Middletown Regional Health System	Serv	(4)	(5)
Miller Coors	Mfg	(4)	(5)
Pierre Foods	Mfg	(4)	(5)

2008			
Major Employer (3)	Type	Number of Employees	Employer's Percentage Of Total Employment
AK Steel Holding Corp	Mfg	(4)	(5)
Amylin Pharmaceuticals Inc	Mfg	(4)	(5)
Armor Holdings Inc	Mfg	(4)	(5)
Butler County Government	Govt	(4)	(5)
Cincinnati Financial Corp	Ins	(4)	(5)
Cornerstone Brands Inc	Trade	(4)	(5)
Fairfield City Bd of Ed	Govt	(4)	(5)
Ft Hamilton Memorial Hospital	Serv	(4)	(5)
Hamilton City Bd of Ed	Govt	(4)	(5)
Lakota Local Bd of Ed	Govt	(4)	(5)
Liberty Mutual/Ohio Casualty Corp	Ins	(4)	(5)
Mercy Regional Hospital	Serv	(4)	(5)
Miami University	Govt	(4)	(5)
Middletown Regional Health System	Serv	(4)	(5)

Source: Ohio Department of Development

(1) - For all of Butler County

(2) - Only current fiscal year and fiscal period six years ago information available. Information for fiscal period nine years ago not available.

(3) - Includes at minimum the ten largest employers for the county. In alphabetical order only.

(4) - The number of employees of each listed major employer was not available.

(5) - The employer's percentage of total employment for each major employer was not available.

Princeton City School District, Ohio
 Major Employers -- Hamilton County (1)
 Current Fiscal Year and Fiscal Period Six Years Ago (2)
 Schedule 16

2015			
Major Employers (3)	Type	Number of Employees	Employer's Percentage of Total Employment
American Financial Group Inc	Ins	(4)	(5)
Cincinnati Children's Hospital	Serv	(4)	(5)
Fifth Third Bancorp	Fin	(4)	(5)
Ford Motor Co	Mfg	(4)	(5)
General Electric Co	Mfg	(4)	(5)
Johnson & Johnson/Ethicon	Mfg	(4)	(5)
Kroger Co	Trade	(4)	(5)
Macy's Inc	Trade	(4)	(5)
Mercy Health Partners	Serv	(4)	(5)
Procter & Gamble Co	Mfg	(4)	(5)
TriHealth Inc	Serv	(4)	(5)
University of Cincinnati	Govt	(4)	(5)

2008			
Major Employers (3)	Type	Number of Employees	Employer's Percentage of Total Population
American Financial Group Inc	Ins	(4)	(5)
Chiquita Brands International Inc	Trade	(4)	(5)
Convergys Corp	Serv	(4)	(5)
Duke Energy Corp	Utility	(4)	(5)
Fifth Third Bancorp	Fin	(4)	(5)
Ford Motor Co	Mfg	(4)	(5)
General Electric Co	Mfg	(4)	(5)
Health Alliance of Greater Cincinnati	Serv	(4)	(5)
Johnson & Johnson/Ethicon	Mfg	(4)	(5)
Kroger Co	Trade	(4)	(5)
Macy's Inc	Trade	(4)	(5)
Mercy Health Partners	Serv	(4)	(5)
Procter & Gamble Co	Mfg	(4)	(5)
TriHealth Inc	Serv	(4)	(5)
University of Cincinnati	Govt	(4)	(5)

Source: Ohio Department of Development

(1) - For all of Hamilton County

(2) - Only current fiscal year and fiscal period six years ago information available. Information for fiscal period nine years ago not available.

(3) - Includes at minimum the ten largest employers for the county. In alphabetical order only.

(4) - The number of employees of each listed major employer was not available

(5) - The employer's percentage of total employment for each major employer was not available

Princeton City School District, Ohio
Major Employers --Warren County (1)
Current Fiscal Year and Fiscal Period Six Years Ago (2)
Schedule 16

2015			
Major Employer (3)	Type	Number of Employees	Employer's Percentage of Total Employment
Aisin Seiki/ADVICS Co Ltd	Mfg	(4)	(5)
Atrium Medical Center	Serv	(4)	(5)
Cedar Fair/Kings Island	Serv	(4)	(5)
Cengage Learning Inc	Serv	(4)	(5)
Cintas Corp	Mfg	(4)	(5)
HJ Heinz/Portion Pac Inc	Mfg	(4)	(5)
L-3 Cincinnati Electronics	Mfg	(4)	(5)
Luxtotta Group SpA	Mfg	(4)	(5)
Macy's Inc	Trade	(4)	(5)
Mason Local Schools	Govt	(4)	(5)
Procter & Gamble Co	R&D	(4)	(5)
State of Ohio	Govt	(4)	(5)
WellPoint Inc/Anthem	Ins	(4)	(5)

2008			
Major Employer (3)	Type	Number Of Employees	Employer's Percentage Of Total Employment
Aisin Seiki/ADVICS Co Ltd	Mfg	(4)	(5)
Blackhawk Automotive Plastics Inc	Mfg	(4)	(5)
Cedar Fair/Kings Island	Serv	(4)	(5)
Cintas Corp	Mfg	(4)	(5)
HJ Heinz/Portion Pac Inc	Mfg	(4)	(5)
Luxtotta Group SpA	Mfg	(4)	(5)
Macy's Inc	Trade	(4)	(5)
Mason Local Bd of Ed	Govt	(4)	(5)
Procter & Gamble Co	R&D	(4)	(5)
State of Ohio	Govt	(4)	(5)
Sumco Phoenix	Mfg	(4)	(5)
WellPoint Inc/Anthem	Ins	(4)	(5)

Source: Ohio Department of Development

(1) - For all of Warren County

(2) - Only current fiscal year and fiscal period six years ago information available. Information for fiscal period nine years ago not available.

(3) - Includes at minimum the ten largest employers for the county. In alphabetical order only.

(4) - The number of employees of each listed major employer was not available.

(5) - The employer's percentage of total employment for each major employer was not available.

Princeton City School District, Ohio
 Full-Time - Equivalent District Employees by Type
 Last Ten Fiscal Years
 Schedule 17

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Regular Instruction	316.53	305.23	303.98	332.60	325.44	306.96	269.44	260.23	260.78	269.00
REGULAR TEACHING	314.53	299.23	301.98	0.00	0.00	0.00	0.00	0.00	0.00	0.00
PERMANENT SUBSTITUTE	0.00	0.00	2.00	1.00	0.00	0.00	0.00	0.00	1.00	0.00
TEACHER/MENTOR/EVALUATOR	2.00	6.00	0.00	0.00	0.00	0.00	0.00	2.50	0.00	0.00
GENERAL EDUCATION	0.00	0.00	0.00	288.60	293.00	277.30	239.20	228.50	229.34	239.75
ART EDUCATION K-8	0.00	0.00	0.00	13.00	9.00	8.00	8.50	8.00	9.00	9.00
MUSIC EDUCATION K-8	0.00	0.00	0.00	21.00	14.00	13.00	13.00	13.00	13.00	12.00
PHYSICAL EDUCATION K-8	0.00	0.00	0.00	9.00	9.44	8.66	8.74	8.23	8.44	8.25
Special Instruction	42.04	39.04	37.02	15.00	16.00	6.80	7.90	6.30	7.50	6.00
AUDIO-VISUAL STAFF	3.00	2.00	2.00	3.00	4.00	4.00	3.00	2.00	2.00	2.00
EDUC SERVICE PERSONNEL TEACHER	39.04	37.04	35.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00
GIFTED & TALENTED	0.00	0.00	0.00	10.00	10.00	0.80	2.90	2.30	3.50	2.00
PRESCHOOL SPECIAL EDUCATION	0.00	0.00	0.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Vocational Instruction	1.00	1.00	1.00	3.00	3.00	0.86	0.86	2.00	2.00	2.00
VACATIONAL EDUCATION TEACHING	1.00	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CAREER-TECHNICAL PROGRAMS/PATHWAYS	0.00	0.00	0.00	3.00	3.00	0.86	0.86	2.00	2.00	2.00
Other Instruction	25.00	7.88	8.32	11.90	6.40	8.00	5.00	3.00	3.00	2.88
OTHER PROFESSIONAL	22.00	5.00	5.00	10.50	5.00	7.00	4.00	2.00	2.00	0.00
TEACHING AIDE	2.00	1.88	2.32	0.40	0.40	0.00	0.00	0.00	0.00	2.38
PARENT MENTOR	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.50
Pupil Support Services	113.99	131.40	125.81	119.80	123.00	116.28	106.80	105.65	103.52	104.38
COUNSELING	12.00	12.00	11.00	13.00	14.00	10.00	7.50	8.00	7.00	7.00
REMEDIAL SPECIALIST	6.00	21.62	7.00	9.00	9.50	9.50	8.00	8.00	4.00	4.00
SPECIAL EDUCATION TEACHING	47.19	38.30	36.08	0.00	0.00	0.00	17.27	14.12	16.72	18.50
SUPPL SERVICE TEACHER (SPEC ED)	25.00	33.50	40.62	47.00	42.72	46.74	46.85	47.41	49.58	52.08
SPECIAL EDUCATION	0.00	0.00	0.00	22.00	27.00	20.26	0.00	0.00	0.00	0.00
DIETITIAN/NUTRITIONIST	0.00	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
PSYCHOLOGIST	7.00	8.60	11.00	10.00	10.00	11.00	9.00	9.00	8.00	7.00
REGISTERED NURSING	3.00	3.00	3.00	3.00	4.00	4.00	2.90	2.90	3.00	3.00
SOCIAL WORK	2.00	1.00	1.00	1.00	1.00	1.00	0.00	0.00	0.00	0.00
SPEECH & LANGUAGE THERAPIST	4.80	4.80	4.80	5.80	6.80	6.80	6.80	6.80	5.80	6.30
OCCUPATIONAL THERAPIST	0.00	0.00	2.00	2.00	2.00	2.00	2.00	1.00	1.00	1.00
EUCATIONAL INTERPRETER	1.00	2.82	1.94	1.00	0.00	0.00	0.00	1.00	1.00	0.00
OTHER PROFESSIONAL-OTHER	0.00	0.00	1.50	1.00	1.00	0.00	1.00	0.94	0.94	1.00
PRACTICAL NURSING	5.00	3.76	2.87	3.00	2.00	2.00	3.50	3.50	3.50	2.50
ATTENDANCE OFFICER	1.00	1.00	2.00	2.00	2.98	2.98	1.98	2.98	2.98	2.00
Instructional Staff Support Services	111.00	118.36	111.72	125.52	128.89	120.18	103.43	111.89	100.52	102.31
CURRICULUM SPECIALIST	2.00	2.00	7.00	6.00	6.50	6.50	7.50	15.00	12.00	12.00
LIBRARIAN/MEDIA	5.00	5.00	8.00	7.50	5.50	3.00	2.00	2.00	2.00	1.00
TUTOR/SMALL GROUP INSTRUCTOR	7.00	16.00	4.50	7.00	11.50	11.50	11.50	9.50	10.00	9.00
LIBRARY TECHNICIAN	0.00	3.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
LIBRARY AIDE	0.00	0.00	5.00	2.00	1.95	0.53	0.00	0.00	0.00	0.75
INSTRUCTIONAL PARAPROFESSIONAL	91.00	85.61	81.47	96.02	98.44	95.65	79.43	82.39	74.52	77.56
OTHER TECHNICAL	6.00	6.75	5.75	7.00	5.00	3.00	3.00	3.00	2.00	2.00
Administration Support Services	113.88	107.64	98.54	94.30	100.01	92.45	94.94	86.82	81.82	83.79
ADMIN. ASSISTANT	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ASSIST DEPUTY/ASSOC SUPERINTENDENT	4.00	3.00	2.00	1.00	1.00	0.80	1.00	1.00	1.00	1.00
ASSIST PRINCIPAL	5.00	7.00	7.00	11.00	8.00	6.00	5.00	5.50	5.50	5.00
PRINCIPAL	11.00	12.00	13.00	10.00	11.00	9.00	10.00	10.00	10.00	10.00
SUPERINTENDENT	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
SUPERVISING/MANAGING/DIRECTING	9.00	3.00	1.00	1.00	1.00	0.00	3.00	2.00	1.00	1.00
COORDINATOR	12.00	9.00	6.00	5.20	6.00	5.00	6.00	4.00	3.00	0.00
EDUCATION ADMINISTRATIVE SPECIALIST	0.00	0.00	0.00	0.00	3.00	3.00	2.00	0.00	0.00	0.00
DIRECTOR	0.00	0.00	0.00	3.00	5.00	5.00	5.00	7.50	6.50	10.00
OTHER OFFICIAL/ADMINISTRATIVE	1.00	1.00	0.00	1.00	2.00	1.00	4.94	4.00	5.00	3.87
PERSONNEL	0.00	0.00	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CLERICAL	69.88	70.64	66.54	61.10	62.01	61.65	57.00	51.82	48.82	51.92
Fiscal Services	1.00	3.00	6.00	4.00	5.00	4.00	4.00	4.00	2.00	3.00
TREASURER	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
ACCOUNTING	0.00	2.00	3.00	1.00	2.00	2.00	1.00	1.00	1.00	1.00
RECORDS MANAGING	0.00	0.00	2.00	2.00	2.00	1.00	2.00	2.00	0.00	1.00
Business Support Services	4.00	1.76	1.00	1.00	1.00	1.00	1.00	0.00	1.00	0.00
PRINTER	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MESSENGER	3.00	1.76	1.00	1.00	1.00	1.00	1.00	0.00	1.00	0.00

Princeton City School District, Ohio
 Full-Time - Equivalent District Employees by Type
 Last Ten Fiscal Years
 Schedule 17 (Continued)

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Operation of Plant	80.00	75.75	80.00	77.50	80.25	81.25	76.25	73.72	67.56	70.69
GENERAL MAINTENANCE	13.00	12.00	11.00	11.00	12.00	12.00	12.00	11.00	8.84	10.00
MECHANIC	4.00	4.00	4.00	4.00	4.00	4.00	4.00	5.00	3.00	0.00
FOREMAN	1.00	5.00	4.00	4.00	4.00	4.00	0.00	0.00	0.00	0.00
CUSTODIAN	48.00	45.75	47.00	44.50	47.25	47.25	44.25	41.75	40.75	40.75
ELEVATOR OPERATING	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
GUARD/WATCHMAN	12.00	5.00	13.00	13.00	7.00	7.00	6.00	6.00	6.00	6.00
MONITORING	0.00	0.00	0.00	0.00	6.00	7.00	10.00	9.97	8.97	13.94
ATTENDANT	1.00	3.00	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
Pupil Transportation	72.62	62.77	53.88	53.11	55.22	56.53	52.30	56.96	52.59	3.00
DISPATCHING	1.00	1.86	0.86	1.00	1.00	1.00	1.00	1.00	1.00	0.00
VEHICLE OPERATOR (BUSES)	66.62	55.62	49.36	47.11	50.22	51.53	47.30	51.96	48.59	0.00
EQUIPMENT OPERATING ASSIGNMENT	0.00	1.00	0.00	0.00	0.00	0.00	0.00	1.00	0.00	0.00
OTHER OPERATIVE	5.00	4.29	3.66	5.00	4.00	4.00	4.00	3.00	3.00	3.00
Central Support Services	4.00	4.00	5.00	4.00	5.00	4.00	3.00	1.00	0.00	1.00
PUBLICITY RELATIONS	1.00	1.00	1.00	1.00	1.00	1.00	0.00	0.00	0.00	0.00
COMPUTER OPERATING	3.00	3.00	3.00	3.00	4.00	3.00	3.00	1.00	0.00	1.00
INSPECTOR	0.00	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Food Service Program	39.50	28.51	26.15	30.21	26.87	28.02	25.94	29.91	29.91	26.02
FOOD SERVICE	39.50	28.51	26.15	30.21	26.87	28.02	25.94	29.91	29.91	26.02
Grand Total	924.56	886.34	858.42	871.94	876.08	826.33	750.86	741.48	712.20	674.07

Source: State Department of Education

Note: Information is not available to provide a breakdown between High School and Elementary

Princeton City School District, Ohio
 Operating Statistics
 Last Ten Fiscal Years
 Schedule 18

Fiscal Year	Enrollment (1)	Operating Expenditure (2)	Cost Per Pupil (3)	Percentage Change	Teaching Staff	Pupil-Teacher Ratio	Percentage of Students Receiving Free or Reduced-Price Meals
2006	5,714	\$72,099,035	\$12,618	10.66%	486	12	45.93%
2007	5,645	76,201,338	13,499	6.98%	479	12	45.22%
2008	5,485	85,591,218	15,605	15.60%	461	12	51.00%
2009	5,133	77,181,975	15,036	-3.64%	473	11	52.50%
2010	5,525	82,652,452	14,960	-0.51%	466	12	54.50%
2011	5,612	80,246,996	14,299	-4.42%	429	13	58.60%
2012	5,480	73,279,119	13,372	-6.48%	431	13	58.60%
2013	5,575	76,260,037	13,679	2.29%	405	14	64.00%
2014	5,416	68,274,652	12,606	-7.84%	394	14	65.00%
2015	5,730	71,054,333	12,400	-1.63%	397	14	65.00%

Source: District Records

(1) - Enrollment amount includes the satellite students in programs at partner districts.

(2) - Operating Expenditure is Total General Fund Cash Expenditures.

(3) - Operating Expenditure by Enrollment.

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Princeton City School District, Ohio
 School Building Information
 Last Ten Fiscal Years
 Schedule 19

School	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Elementary:										
Evendale (PK-6 / PK-5)										
Square feet	45,254	45,254	55,040	55,040	55,040	55,040	55,040	55,040	55,040	55,040
Capacity	625	625	364	364	364	364	364	364	364	364
Enrollment	273	244	250	238	261	250	281	322	290	273
Glendale (PK-6 / PK-5)										
Square feet	31,676	31,676	31,676	31,676	31,676	31,676	31,676	31,676	31,676	31,676
Capacity	575	575	364	364	364	364	364	364	364	364
Enrollment	264	164	219	203	245	261	289	284	265	266
Heritage Hill (PK-6 / PK-5)										
Square feet	64,895	Demo'd	63,093	63,093	63,093	63,093	63,093	63,093	63,093	63,093
Capacity	950		546	546	546	546	546	546	546	546
Enrollment	447		290	367	320	346	331	368	377	468
Sharonville (PK-6 / PK-5)										
Square feet	Demo'd	65,526	65,526	65,526	65,526	65,526	65,526	65,526	65,526	65,526
Capacity		546	546	546	546	546	546	546	546	546
Enrollment		395	375	417	436	469	438	461	486	512
Springdale (K-6)										
Square feet	57,124	63,131	65,526	65,526	65,526	65,526	65,526	65,526	65,526	65,526
Capacity	523	546	546	546	546	546	546	546	546	546
Enrollment	415	484	375	441	438	469	448	453	462	517
Stewart (PK-3 / PK-4)										
Square feet	34,150	62,420	62,240	62,240	62,240	62,240	62,240	62,240	62,240	62,240
Capacity	500	546	546	546	546	546	546	546	546	546
Enrollment	412	434	450	427	472	492	464	485	462	500
Woodlawn (Grades K-3)										
Square feet	Demo'd	52,711	52,711	52,711	52,711	52,711	52,711	52,711	52,711	52,711
Capacity		364	364	364	364	364	364	364	364	364
Enrollment		255	219	205	210	202	212	245	235	216
Lincoln Heights (PK-6 / PK-5)										
Square feet	50,908	63,301	63,301	63,301	63,301	63,301	63,301	63,301	63,301	63,301
Capacity	950	546	546	546	546	546	546	546	546	546
Enrollment	398	353	324	281	296	287	206	152	123	194

Princeton City School District, Ohio
 School Building Information
 Last Ten Fiscal Years
 Schedule 19 (Continued)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
RELIS										
Square feet	74,632	74,632	*	*	12,500	12,500	N/A	N/A	N/A	N/A
Capacity	1,000	1,000	*	*	1,000	1,000	N/A	N/A	N/A	N/A
Enrollment	370	300	*	*	36	46	N/A	N/A	N/A	N/A
Middle School										
Princeton Community (Grades 7-8 / 6-8)										
Square feet	154,952	154,952	176,195	176,195	176,195	176,195	176,195	176,195	160,518	160,518
Capacity	2,650	2,650	1,500	1,500	1,500	1,500	1,500	1,500	1,200	1,200
Enrollment	1277	1182	1114	1114	1098	1147	1,126	1,187	1,204	1,206
High School										
Princeton HS (Grades 9-12)										
Square feet	347,217	347,217	347,217	347,217	347,217	347,217	347,217	347,217	347,217	209,518
Capacity	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,000
Enrollment	1883	1834	1768	1768	1749	1689	1,674	1,613	1,517	1,578

Source: School District Records and Ohio Department of Education

* - Building was not used in fiscal year 2008 and 2009.

Note:

Starting in 2004-2005 6th grade moved to the Princeton Community Middle School
 Starting in 2004-2005 Stewart Elementary added 4th grade
 Starting in 2007-08 Evendale the existing building was demo'd and a new building was opened

N/A - Information not available.

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Dave Yost • Auditor of State

PRINCETON CITY SCHOOL DISTRICT

HAMILTON COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JANUARY 5, 2016**